

Kohl, Impatient, Vows Troops for Somalia

By Craig R. Whitney Bonn — Chancellor Helmut Kohl announced Thursday that he wanted to send up to 1,500 armed troops to Somalia early next year to help the U.S.-led international relief effort...

conference. "I will personally insist on a rapid clarification by the conditions of how we proceed on a decisive question for our country's reputation and effectiveness." Since the Gulf War, some of Germany's allies have been accusing it of hiding behind its 1949 constitution...

armed forces were ready to go into action to carry out humanitarian aid in Somalia, but only after fighting stopped there. But the chancellor and other officials reiterated Thursday that Germany was neither ready nor willing to send ground troops into Bosnia-Herzegovina...

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Allies Reject U.S. Offer To Patrol Bosnia Skies

But the Europeans Agree to Support Any UN Bid to Enforce 'No-Fly' Zone

BRUSSELS — The NATO allies on Thursday rejected an American offer to send warplanes to shoot down Serbian aircraft violating a United Nations flight ban over Bosnia. But they said they would "support" the United Nations if it decided to enforce the ban.

retaliation against UN peacekeepers on the ground. Britain, which has 2,500 troops guarding aid convoys in Bosnia, has been the most reluctant to take steps that would put the soldiers at risk.



Buses containing the Palestinian prisoners at the Metula border crossing, between Israel and Lebanon on Thursday. An Israel court rejected moves to halt the expulsion.

Israel, Striking Back, Deports Nearly 400 Arabs

By Clyde Haberman Jerusalem — Buses filled with nearly 400 banded and blindfolded Palestinians crossed the border into Lebanon on Thursday night as Israeli troops carried out mass expulsions ordered by the government and sanctioned by Israel's Supreme Court...

fundamentalists who in recent days have killed four Israeli soldiers. "I will personally insist on a rapid clarification by the conditions of how we proceed on a decisive question for our country's reputation and effectiveness."

Human rights groups and some foreign governments have expressed concern over the expulsions of the European Community, had appealed to Israel not to follow through on the expulsions, saying that the Fourth Geneva Convention of 1949 prohibited this sort of forced transfer from occupied territories.

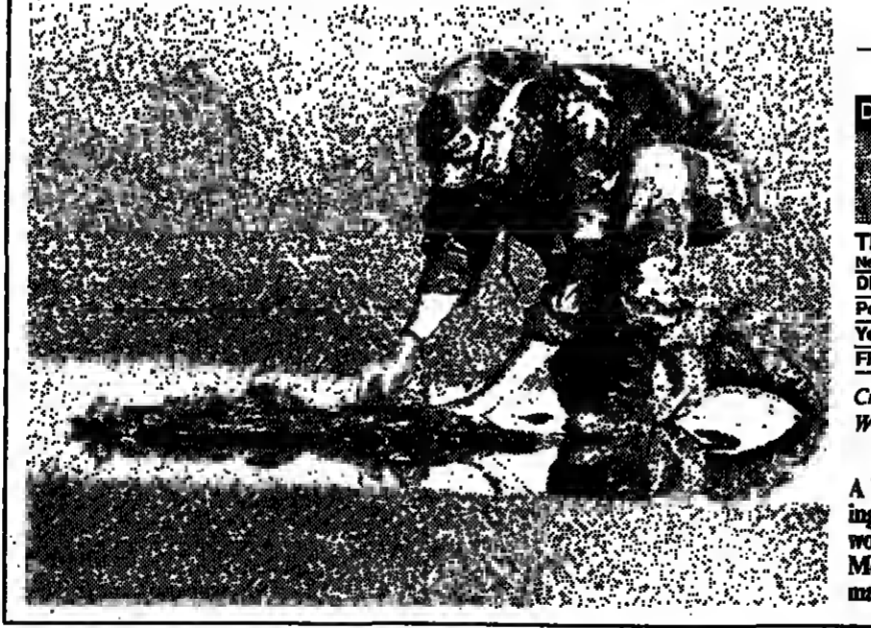
But the ministers said they had had no choice. Israel, they argued, had to strike hard, especially against the militant fundamentalist group Hamas, which is unalterably opposed to the peace talks and which has taken responsibility for the recent spate of killings.

GATT Accord May Still Be Months Away

By Roger Cohen Paris — Vehement exchanges between European and American officials, the most virulent since a trans-Atlantic trade war was averted by an accord on Nov. 20, suggested Thursday that a world trade agreement might not be reacheable in the next few months.

Ready to Deal, Yeltsin in China To Revive Links

By Sheryl WuDunn Beijing — President Boris N. Yeltsin of Russia arrived here Thursday for a three-day visit intended to cement economic ties with China and revive a working relationship that was thrown into doubt by the collapse of the Soviet Union...



A WASH — A Marine seen working with a Baidoa puddle, likely related to the article about marine work in Somalia.

U.S. Embassies Open Jobs to (Mostly Lower-Paid) Americans

By John M. Goshko Washington Post Service WASHINGTON — The State Department has agreed to allow American citizens to compete for jobs in U.S. embassies that only foreign nationals have been allowed to hold.

Extraterrestrials? Well, There Might Be Planets They'd Call Home

By John Noble Wilford New York Times Service NEW YORK — The Hubble Space Telescope has photographed broad disks of gas and dust grains surrounding 15 newly formed stars. Astronomers say this is the strongest evidence yet that planets could exist beyond the solar system...

BA Wins 25% Qantas Stake

British Airways outbid Singapore Airlines on Thursday to be a partner of Qantas Airlines. The British carrier will buy a quarter of Qantas from the Australian government for 665 million Australian dollars (\$458 million).

Kiosk section containing market data: Dow Jones Up 14.05, Trib Index Up 0.60%, The Dollar, and various news snippets like 'A Shopping guide for Paris museum shops' and 'Hispanics and veterans get voices in Clinton's latest cabinet appointments'.

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OPINION

If Milosevic Stays, the West Will Have to Apply Force

By Flora Lewis

PARIS—An enormous demonstration in Belgrade on Thursday in favor of Milan Milosevic, the main challenger to Slobodan Milosevic for leadership of Serbia in Sunday's election, offers the first glimmer of hope for pacifying ex-Yugoslavia. Mr. Milosevic, who returned to his homeland in crisis, does seek an end to the violence.

With what constraints — although the disaster of a free-fall breakup was foreseeable. And it is too early to draw the policy lessons for such cases in the future, acknowledging that the breakup of disaffected states necessarily concerns others.

better to defend themselves. There are no defensive weapons in this kind of war. If they are able, they will immediately launch counteroffensives to recover lost towns and villages and to punish their tormentors. That will not stop the fighting. Rather, it is a pretext to avoid involvement.

and the peacekeepers' mandate runs out in March. If it is not renewed, they will withdraw and the Croats can be counted upon to drive for recovery and probably "ethnic cleansing" of those areas.

Since the Monsters Are Real, The Kids Need Real Heroes

By Geoffrey Canada

NEW YORK — You are probably going to be a little concerned when I tell you how happy I am to be honored as a children's hero. Some people might be a little more modest and say: "Don't call me a hero. I'm not worthy of such flattery." But not me. I desperately want to be a children's hero.

in the afternoon and early evenings, running through alleys, climbing over fences, learning our monster drill — run, run, fast, fast, hit the fence, over quick, over quick. (Come on now, you know you could be caught.)

MEANWHILE In 1991, for example, there were about 12 murders a weekend. Plus, these monsters did not really see children as their target.

So you see, I have long wanted to be a hero riding into town on my fiery steed, slaying monsters who prey on children.

Our children face monsters who kill in the night and the day, monsters who lurk in the dark. They see monsters on their way to school, in the park, in the hallways at night — monsters who leave traces of their brutal work, staining floors and walls, the vestiges of which tell of horrors unspeakable to sneh young minds.

Monsters work seven days a week and don't take vacations. And each night when the children leave our care, we pray we will see them again and won't hear tales of monsters. And it seems to me that on this special day, if we can talk of heroes, then we can talk of monsters.

LETTERS TO THE EDITOR

Macedonia Irredenta

Regarding the editorial "Recognize Macedonia" (Opinion, Nov. 24): Greece's demand that the former Yugoslav republic change its name is entirely justified. The demand is based partly on well-founded, historical arguments, which firmly establish Greece's right to the name "Macedonia."

please, Greeks say; as long as it is a name that does not rightfully belong to another country. STEPHEN STAFFORD, Athens.

The editorial states that Greece's position on the Macedonia debate is not supported by any recognized doctrine of international law or practice. It is supported, however, by the elementary rule of state, suggesting that no person or state should enjoy legitimacy on the basis of a forged identity.

there is the arrogance of tone: "fledgling independence," "feverish plans" and so on. How are we ever to live together if even the best ones, the western democrats, cannot shed their imperial skin? GUNTARS ABOLS, Le Veinot, France.

The answer lies largely in providing automatic fire sprinkler technology. There has long been resistance to the installation of these systems in palaces, museums and other cultural institutions, largely due to fears of accidental sprinkler activation and consequent water damage.

Unpeaceful Coexistence

Regarding "Fragile Wings Over a Lavinia Beach" (Meanwhile, Dec. 1): An attentive reader will note troubling ingredients in Vassily Aksyonov's report about the Soviet presence in Latvia. There is the nostalgia for times when a representative of the "superpower" did not need to concern himself with how the natives felt. There is the distortion of history: Stalin did it all with the help of wicked local Communists. And

there would seem to be a simple solution. The Slavs need only call their area New Macedonia, since the Greeks were there first, 24 centuries ago. New Mexico is known to be separate from Mexico, and New England is quite distinct from England, as just two examples. N. C. CUMMINS, London.

Lessons from Windsor Fire

Lessons learned from other fires could have been applied to prevent the disaster at Windsor Castle. All too many such cultural-heritage institutions rely on fire brigades. Unfortunately, as illustrated at Windsor, fires can grow with such intensity that manual firefighting is ineffective. Despite a gallant effort, the fire burned for hours, with severe heat, smoke and water damage. Priceless artworks were lost.

Irish Non-Resident Companies

Ireland's tax laws are attractive to non-resident companies. However, the Irish Revenue Commissioners are currently reviewing the law to ensure that it is not being abused. Companies should be aware of the changes and seek professional advice.

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TODAY'S REAL ESTATE MARKETPLACE. Appears on Page 8.

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Collor Confident of Surviving Impeachment Storm

By James Brooke
New York Times Service

BRASILIA — Flies from the nearby savanna buzzed through open windows of a library while Fernando Collor de Mello confidently outlined his goals for governing Brazil through 1995.

The Brazilian president, wearing a linen suit in the heat, pulled from a leather case his 1993 agenda for modernizing South America's largest nation.

When it was ventured that the Senate might convict him next week in an impeachment trial, Mr. Collor responded easily: "I don't have the slightest doubt that I will be acquitted. This exoneration

will allow me to resume my functions as president of the republic."

Brasilia, a planned-development capital laid out on the table-flat plains of central Brazil, is often called "fantasy island." Today, the latest corner of unreality is Mr. Collor's makeshift office complex, a kind of presidency in exile.

After the Chamber of Deputies voted on Sept. 29 to allow the Senate to try Mr. Collor on corruption charges, he was forced to surrender presidential powers temporarily to Vice President Itamar Franco.

Barring last-minute stays, the Senate is expected to reach a verdict in the impeachment trial on Tuesday. If guilty, Mr. Col-

lor will permanently lose his title and his powers, and will be banned from holding public office until the year 2001.

Outside his prefabricated offices, few people here seem to believe that he will be acquitted of the constitutional crime of "lack of decorum" for accepting \$6.5 million from an influence-trafficking ring headed by his former campaign treasurer, Paulo César Farias, and for lying to cover up the payments in a separate case.

In one measure of the senators' mood, they voted 67 to 3 to indict Mr. Collor formally two weeks ago. Next week, the votes of 54 senators will be needed to convict.

After the recent vote, Mr. Collor's three

Senate supporters made a fruitless attempt to persuade him to resign.

By resigning, he would retain his political rights, although he would still face a second, criminal trial.

"At no moment did resignation ever cross my mind," said Mr. Collor, who appeared tanned, trim and relaxed despite the looming legal obstacles.

He dismissed as lies local press speculation that he might spend New Year's Eve in exile in Paris, where he owns an apartment overlooking the Seine.

But Brasilia's rumor mill has been churning right along this week after a Collor aide traveled to Paris and a French lawyer arrived here to help in the defense.

Violence Surges in Somalia In Areas Without U.S. Troops

By Jane Perlez
New York Times Service

MOGADISHU, Somalia — As American military officials expressed satisfaction with the lack of resistance to their deployment here and in one other town, violence has increased in areas of Somalia where the forces are not present.

The stepped-up violence, a little more than one week into the humanitarian operation, raised the question of how secure the American-led coalition could make Somalia as armed gunmen reappeared on the streets here and others fled to the countryside to escape the net of the military forces.

There were also concerns about the safety of American troops as the military planned a weekend landing in Kismayu, a southern port city, to secure the harbor and the airport, much as they did in Mogadishu last week.

American officials said the soldiers would be entering a "dicey" situation in Kismayu, where 150 clan fighters were massacred this week and where starvation is worse than in the capital and Baidoa, the town secured Wednesday.

"The armed opposition here is less than anticipated," said Brigadier General Ted Hopgood, chief logistician for the Marine forces. "But that said, you come to the conclusion that the situation is extremely complex."

The military spokesman, Colonel Fred Peck, acknowledged the increased violence but said that as more troops landed in Mogadishu, it would be possible to establish wider control.

The Pentagon has said 28,000 American troops will eventually be deployed in the operation, which is designed to secure convoy routes for the food needs of about 1.5 million hungry Somalis. Another 15,000 to 20,000 troops from other countries are expected as a complement, the Pentagon said.

Fewer than 10,000 troops, the vast majority of them American, have arrived in Mogadishu since the operation began Dec. 9. President George Bush's special envoy to Somalia, Robert B. Oakley, seemed unperturbed that some of the "technical," the armed Somali jeeps, had fled Mogadishu and were roaming the countryside.

"I don't have any idea where they've gone," he said in a televi-

sion interview. "Eventually our military will be able to figure out where they've gone."

For the first few days of the operation, American helicopters swooped over the "technical," to intimidate them. Many disappeared to the wilderness; others apparently hid in the city.

But on Thursday the brightly colored vehicles reappeared on the crowded streets, their weapons in full display. Private cars that weave and dodge through the heavy pedestrian traffic in Mogadishu's streets Thursday had assault rifles poking out of their windows, the traditional Somali method of protecting vehicles from hijacking.

Those gunmen in Mogadishu who had not fled now understood that the American forces would not disarm them unless the weapons presented a direct threat, Somali officials said. Thus, they added, gunmen believed they could flaunt their arms without risking confiscation.

Even in parts of the city in which the Americans have asserted control, there have been firefights in

recent days. At the U.S. Embassy compound Tuesday night, two Somali gunmen poked their rifles through the slits in the high concrete fence and shot at a group of Marines, one of the Americans involved in the incident said. The Marines returned fired and three Somalis were killed, he added.

The increased violence at night and in areas empty of troops showed the need for the Americans to persuade the local warlords to impound their vehicles and get rid of the weapons, as they pledged last week, several Somali said.

"The Americans have to get tough with the warlords," said Hassan Togani, an American-educated Somali. "If they don't the warlords will just play games."

In the countryside, relief workers described a deteriorating situation in advance of the forces' arrival. The most violent place in Somalia since a civil war started two years ago has been Kismayu, whose rival clans frequently fight each other. Foreign aid workers — including those of the International Committee of the Red Cross, which prides itself on staying as long as a possible in a dangerous situation — have often been evacuated from the town.

This week officials said 150 fighters of General Omar Jess — a warlord who loyally controls Kismayu in an alliance with General Mohammed Farrah Aidid of Mogadishu — had been shot by a rival, General Mohammed Siad Barre Morgan, the son-in-law of the deposed dictator Mohammed Siad Barre. The atmosphere has turned even more vicious than usual, they said, as General Jess's troops sought revenge.

Another danger to the U.S. troops could come from violence generated by the large numbers of Somalis starving in camps, American officials said. The competition for food among tens of thousands of desperate people makes the atmosphere volatile.

At the town of Mergeh, 400 kilometers north of the capital, the Red Cross reported that "tens of technicals" and "hundreds of gunmen" had arrived to watch the unloading of food from a ship.

So far there has been no violence, said Geoff Lane, director of relief for the Red Cross, but the potential for trouble is great.

JOB: 9,400 Openings

(Continued from page 1)

citizens living in foreign countries. "The United States is one of the only countries in the world that excludes its own citizens from employment in its embassies," he told the Senate when he launched his campaign. "Most other countries actively recruit job applicants from their homelands for embassy employment."

Mr. Rockefeller, chairman of a subcommittee on foreign commerce and tourism, began his tug-of-war with the State Department in June 1991 when the Federation of Americans Abroad, an umbrella organization for U.S. citizen groups in other countries, called the situation to his attention.

The hiring of American citizens for non-diplomat jobs at overseas posts was authorized by the Foreign Service Act of 1980. Nevertheless, the department barred the hiring of Americans on the grounds that the legislation did not give it authority to establish salary rates for Americans in jobs traditionally held by foreign nationals.

In the only exception to that rule, the department temporarily opened some of these jobs to the spouses and other family members of Foreign Service career employees. According to State Department figures, however, the number of these positions never totaled more than 55 worldwide.

For the rest, the department clung to its policy of filling low-level jobs and some specialized positions only with foreign nationals. Tom Forbado, a legislative aide to Mr. Rockefeller, said, "When we asked why, the State Department's answer basically was, 'Well, that's the way we do things.'"

Department officials said the policy grew out of several factors, including the need of U.S. embassies for personnel who were native speakers and who had detailed knowledge of American customs. Americans living abroad have long complained that some employees of U.S. embassies have, at best, only an elementary understanding of American practices.

In addition, after World War II when the dollar was the world's strongest currency, embassies could take advantage of favorable exchange rates to pay foreign employees in the local currency.

In July 1991, Mr. Rockefeller attached an amendment to the State Department's annual authorization bill requiring that the embassy posts be opened to Americans. More than a year went by without the rule being put into effect.



Mr. Yeltsin strolling Thursday along the Great Wall north of Beijing on the first day of his three-day visit to China.

YELTSIN: Russian Leader Opens 3-Day Visit to Beijing, Ready to Deal

(Continued from page 1)

stimulus to the democracy movement at a time when it was losing momentum. The Chinese Army crackdown a few weeks later, and the rise of the hard-liners in Beijing, led to the resurgence of mutual suspicion between Moscow and Beijing, and the Chinese leaders have been especially scathing — in private — about Mr. Yeltsin's role in the disintegration of Soviet communism.

Today, however, Mr. Yeltsin does not represent a bubbling democracy for young Chinese intellectuals and students, in the way that Mr. Gorbachev did. While some Chinese admire him, others regard him as a symbol of the dangers of overthrowing a Communist system. When they look at Russia today, they see not so much freedom and democracy as chaos and economic decline.

For now, China is much more economically robust than Russia, and Mr. Yeltsin is likely to press Chinese officials for greater financial assistance, more weapons purchases and ample supplies of meat, shoes, warm coats and other consumer goods.

The nominal centerpiece of the visit is the signing of a joint declaration that will lay down the principles of the new friendship: no longer will the relationship be based on Communist brotherhood, but rather on a more pragmatic interaction between two state governments.

"It will be based on state-to-state relations of a new type," said a Chinese intellectual, echoing a phrase that Chinese leaders have report-

edly used to characterize the new friendship. "No alliance, no confrontation."

China is expected to extend a loan of tens of millions of dollars during the trip. Russian officials also have said that their government plans to continue selling weapons and other military equipment to China. The Chinese have already paid \$1 billion for two dozen Su-27 jet fighters and are reportedly interested in MiG-31 jets, submarines and bombers.

This growing military cooperation is a source of increasing alarm to Southeast Asian countries and to Taiwan. Most of the weapons that China is buying are intended to improve its ability to project its power beyond its borders. Another agreement will bring Russian engineers and technology to China's northeastern province of Liaoning for the construction of a nuclear power plant, the first such joint project between China and Russia.

Among the most visible signs of the growing economic relationship is the increase in trade, which totaled \$3.9 billion for 1991. In Beijing, for instance, Russian entrepreneurs crowd the free markets and create virtual traffic jams as they stroll along the streets with bags stuffed with sweaters, down jackets and other clothing.

More and more Chinese traders are also flocking to Moscow with parcels of toys, foodstuffs, suits and other consumer items, and some have set up offices or stores there. Chinese enterprises have also sent consultants and other professionals to set up joint ventures and cooperative arrangements in Russia.

In return, the Chinese are receiving scores of Russian engineers and technicians to help construct electrical stations and other industrial projects. Russian scientists also are expanding cooperation with the Chinese on various projects, including space research and oil production.

Chinese and Russian officials say total trade this year could top \$5 billion, about 80 percent of it conducted at various checkpoints along the border that stretches some 4,500 kilometers (2,800 miles) between the two countries.

Mr. Yeltsin is also expected to discuss with Chinese officials the demarcation of disputed border areas, including the region that China calls the Heixizai Islands in its northeast. Negotiations have dragged on for several years now, but Mr. Yeltsin may at least agree to reduce the troop presence in these areas.

Another irritant for the Chinese is Russia's growing relations with Taiwan. There are reports that Taipei and Moscow will open air links and reciprocal offices to issue visas. The Chinese are also apparently angry that Russian officials have visited Taiwan on scouting trips to sell weapons and other military equipment.

After meetings on Friday with Chinese leaders, including Prime Minister Li Peng, Mr. Yeltsin will travel the next morning to Shenzhen, a special economic zone adjacent to Hong Kong. Mr. Yeltsin insisted on visiting Shenzhen, one of the most capitalist cities in China despite the initial hesitancy of his Chinese hosts.

EXPEL: Israel Ousts Nearly 400

(Continued from page 1)

Israel look weak and would have further strengthened Hamas, he said.

Besides, the prime minister said, the expulsions are to last no more than two years and can be appealed from outside Israel.

It was doubtful, however, that Israel was about to put an end to violence by getting rid of these Palestinians, whose number was tentatively put at 383.

Initially, officials said that 418 had been taken to the Lebanese

border, where, except for meals and tips to portable toilets, they sat on buses bound and blindfolded the entire day while Israeli civil-rights lawyers appealed in their behalf to the Supreme Court. For unstated reasons, 35 were reportedly taken off the buses and returned to prisons.

Although government officials refused to make the list public, or even to say if families had been notified, it appeared that nearly all those deported were theoreticians, fund-raisers and heads of Islamic institutions, not gunmen.

TROOPS: Kohl Vows to End Ban

(Continued from page 1)

mentary human rights," Mr. Kohl said. But on the Balkans he demurred, referring to wartime Nazi atrocities that make deployment impossible now for Germans: "German history has its own significance here," he said.

In Somalia, he said, Germany could no longer stand on the sidelines. "We need decisions, and not endless legal discussions," Mr. Kohl said.

He asked the government immediately to raise the number of supply flights to Somalia to four a day,

from three, and the Defense Ministry said that up to eight C-160 supply planes, capable of flying in 10 tons of food and medicine each on as many as four flights each per day, would be deployed to the area.

A logistical supply and transport battalion of as many as 1,500 soldiers, with a self-defense force, would be offered to the United Nations for "humanitarian purposes," Mr. Kohl said, as soon as the affected regions of Somalia had been liberated from control of the feuding warlords who had prevented aid from reaching the starving civilian population until American forces went in this month.

OTHERS: Fruitful Planet Quest by Hubble Telescope

(Continued from page 1)

and Epsilon Eridani. These stars are all much older than those observed in Orion Nebula, Beta Pictoris being at least 1 billion years old. It is thus not possible to link the circumstellar disk with these older stars' earliest evolution. Some observations indicate much larger particles, the size of pebbles rather than sand, around Beta Pictoris.

Although there have been several observations mistakenly identified as planets of other stars, the evidence is strong for only one appar-

ent planetary system. Radio astronomers a year ago announced that by tracking fluctuations in the radio waves from a collapsed star, they had inferred the existence of two and possibly three planetary objects. The objects are orbiting a dense spinning remnant of an exploded star, known as a neutron star or pulsar. If these are indeed planets, scientists said, it is most unlikely that they would be hospitable to life.

Even with Hubble's flawed optics, the pictures were detailed enough to reveal the high-energy

turmoil in regions where primordial gases are condensing into stars.

Some of the pictures show plumes of gases driven at supersonic speeds by winds of particles. Radiation from nearby hot stars boils off material from the disk's surface, and this material is then blown back into a cometlike tail by the particle winds.

In October, NASA and international scientists began an expanded search for radio signals from intelligent extraterrestrial beings. So far, the results have been negative.

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TRANSITION / THE CABINET GROWS

Surgeon General: Waiting Her Turn

By Malcolm Gladwell
Washington Post Service

WASHINGTON — Although no official announcement has been made, President-elect Bill Clinton's apparent choice for the office of surgeon general has already produced two major surprises.

The first is the reported nominee, Joycelyn Elders, chief of the Arkansas Department of Health, a woman so outspoken she could make former Surgeon General C. Everett Koop seem demure by contrast. At a pro-choice rally in Little Rock last January, she told abortion opponents to "get over their love affair with the fetus."

The second is that although word of Dr. Elders's nomination was being reported widely in the press by Monday evening, the Clinton transition team did not get around to telling the current surgeon general, Antonio Novello, about the matter until Tuesday afternoon. She first heard the rumors on the radio Tuesday morning.

Dr. Novello, who holds a nonpolitical appointment, is not required to quit her post until her four-year term expires in March of 1994 — although incumbents customarily resign when administrations change. She has not submitted a resignation and her office said "no comment" to all questions about her future.

In Arkansas, Dr. Elders was already giving interviews about what she planned to do as surgeon general.

Eldersism No. 2: "What we can do most to reduce infant mortality is to reduce unplanned, unwanted children."

Abortion foes, she said, "love little children as long as they are in someone's uterus."

"They don't want to support any

programs that will make them into productive citizens," she said.

A Clinton spokeswoman said: "The governor has not made any announcement. That's all I know. Generally once he makes a decision, he makes the announcement."

Dr. Elders, a 59-year-old black pediatrician, has headed Arkansas's Health Department for five years, aggressively promoting what she terms a "pro-children" and "pro-choice" public health agenda.

"She's been remarkable in lessening the number of teenage pregnancies in this state," said Bill Jones, a Little Rock dermatologist and past president of the state's medical society.

"She's on the front pages of the papers every other day," said Anne Dierks, president of Arkansas Right to Life. "She's very outspoken. Everyone has an opinion about her."

Dr. Elders said that if she were surgeon general, the issue at the top of her agenda would be "dealing with health care reform and making sure we have universal access."

"The second thing is that we have to go out and market and sell prevention to this country," she said. "We'll never have adequate health care until we teach people how to be responsible and take care of their own health. We need comprehensive health education in our schools relating to teenage pregnancy, AIDS, violence, accidents — all the things that are killing our bright young people."

It is on the issue of abortion, however, that she is likely to create the most controversy, since no other surgeon general in history has been so outspoken in favor of abortion rights.



President George Bush putting his signature to one of the key accomplishments of his presidency, the North American Free Trade Agreement, on Thursday in Washington. With him was the Canadian ambassador to the United States, Derek Burney, and the U.S. trade representative, Carla A. Hills.

Veterans and Hispanics Get Voices in New Administration

The Associated Press

LITTLE ROCK, Arkansas — President-elect Bill Clinton gave cabinet jobs to Henry Cisneros, the former mayor of San Antonio, and to Jesse Brown, a Vietnam veteran, on Thursday, furthering his campaign pledge for diversity in his administration.

Mr. Cisneros, the first Hispanic mayor of a large American city, was named secretary of housing and urban development.

He is the first Latino member of Mr. Clinton's cabinet.

Mr. Brown, executive director of the million-member Disabled American Veterans, was named secretary of veterans affairs.

He is the second black named by Mr. Clinton, joining Ronald H. Brown, designated as commerce secretary.

Mr. Clinton also named Hershel W. Gober, director of the Arkansas Department of Veterans Affairs, to be Jesse Brown's top deputy.

"These individuals have one thing in common: They have lived the issues they will now address in government," Mr. Clinton said. "They represent the best in a new generation of leaders."

The appointments on Thursday are expected to be quickly followed with nominations for other senior positions.

Richard Riley, former governor of South Carolina and a longtime friend and key transition aide, is expected to be named — perhaps Friday — to head the Department of Education.

[In addition, Mr. Clinton is almost certain to name Warren Christopher, his transition director and a prominent Los Angeles lawyer, as secretary of state, transition

sources said. The announcement may not come until next week, after the domestic positions have been filled, the Los Angeles Times reported from Washington.

[Two Clinton foreign-policy advisers, Anthony Lake and Samuel Berger, remain the leading contenders for national security adviser, the sources said. Those appointments also are not likely before next week.]

Mr. Clinton announced his latest choices at a news conference where he was joined by Mr. Cisneros, Mr. Brown and Mr. Gober.

On a foreign-policy front, Mr. Clinton expressed reservations about Israel's deportation of 400 Palestinians accused of belonging to militant groups in retaliation for mounting Muslim violence.

"I share the anger and the frustration and the outrage of the Israeli people at what has happened" in the violence, he said.

Nevertheless, he added, "I'm concerned that this deportation may go too far and imperil the peace talks."

On another issue, Mr. Clinton said he was sympathetic with the North Atlantic Treaty partners, like Britain, for their reluctance to send U.S. warplanes to shoot down Serbian aircraft violating a flight ban in Bosnia-Herzegovina.

"I think we just have to go back to the table," he said. "I think we ought to give the administration a chance to see what can be done."

He said that "anything we do over there ought to be done through the United Nations."

He urged Serbs to turn over the government of President Slobodan Milosevic in elections on Sunday. He said that "could do more than anything to end what already is a looming catastrophe."

Asked about political upheaval in Russia, which led to the ousting of Prime Minister Yegor T. Gaidar, Mr. Clinton said he was giving a lot of thought to steps he could take to keep democracy flourishing.

"I think those folks are going through a terribly tough time," he said, adding that he and Vice President-elect Al Gore had spent a lot of time on seeking a solution, within U.S. budget restraints, "to try to stabilize the direction over there and give those folks some way of feeling this thing is going to come out O.K."

"It is a very important issue to me and I'm going to do what I can to keep Russia moving in the right direction," Mr. Clinton said.

Mr. Clinton said Mr. Cisneros would bring "fresh energy to an agency that badly needs reform and revitalization."

In Jesse Brown, Mr. Clinton said he was choosing a man who had worked for more than 20 years in veterans affairs.

"He knows first-hand that those who have given of themselves to fight for this country deserve the best this nation can offer," he said.

Mr. Brown was wounded in Vietnam and lost the use of his right arm.

Referring to the Veterans Administration, Mr. Clinton said, "Tom often this agency has acted callously to those it was supposed to serve."

Promising to be an advocate for the nation's 27 million veterans, Mr. Brown said he would be "a secretary for veterans' affairs, not a secretary of veterans' affairs."

Mr. Cisneros said "I sense we have limited time for America. We cannot talk about the economy and not talk about our cities and towns, about the poor of all races."

POLITICAL NOTES

Election Turnout Was Highest in 24 Years

WASHINGTON — Turnout in the presidential election reached 55.23 percent of the voting age population, the highest share since 1968, according to Curtis Gans, head of the Committee to Study the American Electorate.

In 1968, voter turnout was nearly 61 percent.

Mr. Gans said 104,402,691 citizens voted for president this year. That was a sharp increase from the 91,594,805 who voted in 1988, when 50.11 percent of the population 18 and over voted.

Mr. Gans said the increase could be attributed almost entirely to the independent candidacy of Ross Perot. (NYT)

Money Talks, at Least a Little, for Judge

WASHINGTON — When a federal appeals court judge, Patricia M. Wald, recently told President-elect Bill Clinton that she did not want to become his attorney general, one of the reasons she cited was money.

As head of the Justice Department, Judge Wald would have made \$143,800, slightly more than her current salary of \$137,300.

But she is two years from qualifying for a lifetime pension at the full salary of an appeals court judge. That was "not the critical factor" in her decision to remain on the federal bench, but "the pension was a fact to be considered," according to Robert Wald, her husband and a Washington lawyer.

Judge Wald, 64, declined to be interviewed, and Robert Wald would say only that it was "a combination of other facts — personal and professional" — that weighed in his wife's decision not to leave the bench. Friends have said Judge Wald relishes her job and does not want the worry that a high-profile position running a large federal agency would entail. (WFP)

Quote-Unquote:

Samuel Popkin, a political scientist at the University of California at San Diego and a former Clinton campaign adviser: "The real question with Bill is going to be who he gives the work, not who he gives the title." (LAT)

Final Days: Bush Aides Ride It Out

By Keith Bradsher

New York Times Service

WASHINGTON — After returning from a visit to China and Hong Kong aboard a military jet, several Bush administration officials plan to tour Moscow and St. Petersburg at government expense a few days before the inauguration of Bill Clinton forces them from office.

The U.S. Embassy in Moscow has tried informally and unsuccessfully to discourage the trip, saying it is unnecessary, according to an official who was critical of the trip.

More planning has gone into the amenities for a luxury train trip from Moscow to St. Petersburg than into the actual agenda for the trip, which will have something to do with the conversion of Russian military factories to civilian production, the official said.

Senator Jesse Helms, Republican of North Carolina, and other members of Congress are already criticizing the trip to China by Commerce Secretary Barbara H. Franklin, who flew there with senior aides Tuesday aboard an Air Force C-137, a luxurious version of a Boeing 707.

Because the government's fiscal year runs through September, the current surge of spending may use up money that have would otherwise be available for Clinton appointees. The Russia trip is planned for mid-January, said a Commerce Department official.

The conversion of military complexes in Russia has been a bipartisan concern.

The planned trip to Russia will be headed by Joan M. McEntee, the acting undersecretary of commerce for export administration. She is the government's top official on controlling the sale of militarily useful products to communist and terrorist-supporting countries.

Ms. McEntee, who went on the China trip, is recruiting officials from the State and Defense Departments to make the trip. She and the entourage plan to be in Russia from Jan. 11 to Jan. 15, flying back shortly before they lose their jobs on Jan. 20.

Away From Politics

- One out of five American children lived in poverty in 1991, the largest number since 1965, the Children's Defense Fund said in its annual report on "The State of America's Children."
- Former Defense Secretary Caspar W. Weinberger's early diaries are to be subpoenaed by Washington prosecutors to bolster their charge that Mr. Weinberger lied to conceal detailed notes he took during the Iran-contra affair.
- The controversial "abortion pill," RU-486, could be quickly authorized for use in the United States if the French manufacturer of the drug, Roussel-Uclaf SA, applied for approval, the Food and Drug Administration says.
- Fumes from a noxious combination of cleaning chemicals forced the evacuation of an L. L. Bean distribution center in Freeport, Maine, sending 25 people to hospitals, officials said. No one was severely injured.
- The white supremacist accused of killing the black activist Medgar Evers in 1963, Byron De La Beckwith, will undergo a third trial on the charge, the Mississippi Supreme Court has ruled, reopening one of the most sensational and troubling cases of the civil-rights era. (Reuters, AP, UPI, WP, LAT, NYT)

Vaccine Held Off AIDS in Monkeys, Researchers Say

Reuters

WASHINGTON — Scientists at Harvard University said Thursday that they had successfully vaccinated monkeys against infection with SIV, the monkey form of AIDS.

The Harvard New England Regional Primate Research Center reported in this week's Science magazine that monkeys vaccinated against simian immunodeficiency virus remained protected more than two years later.

The rhesus monkeys were given a genetically altered form of the whole, weakened SIV virus, which lacked the gene known as nef, that proved to protect them against 1,000 tests of SIV infection.

The researchers said the success with the SIV vaccine cannot be immediately translated into development of a vaccine against AIDS in humans but said it is a guidepost on the way to the vaccine.

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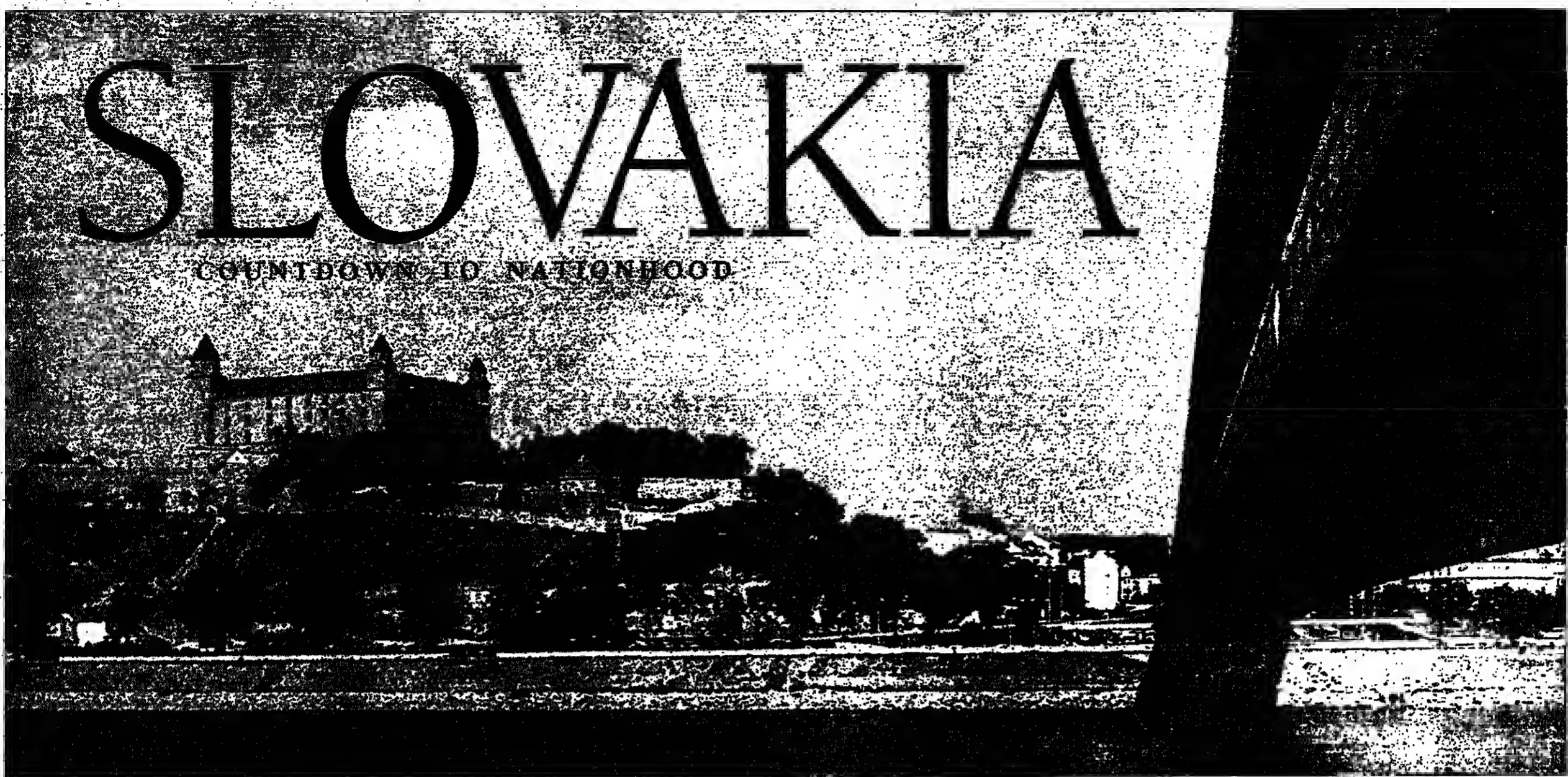
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Herald Tribune

Published With The New York Times and The Washington Post



Pragmatism, Not Pomp, Marks Independence

With its formal act of sovereignty only days away, Slovakia has largely completed the formation of its government. The transformation of its economy is at an advanced stage. A key point of Slovak foreign policy will be special economic ties to the Czech Republic and the European Community.

The Slovak Republic has been described as the realization of a thousand-year-old dream. But the Slovaks themselves are approaching their impending independence with anything but pomp and drama.

"I'm sure there will be some festivities on January 1, but most people have too much to do to get excited about any celebration," says Boris Gandel, a young Bratislava-based journalist.

In business-as-usual Bratislava, only scattered bits of evidence suggest the advent of a new economy and a new sovereignty. Recently hung signs for restaurants, clothing stores and the Henkel Palma joint venture dot the cityscape. In the palaces and administrative buildings housing government ministries, computer printouts serve as office nameplates; the briskly professional occu-

to maintain, at least for the time being, a common currency, as well as provisions against double taxation. As the Czech Republic is double the size and has twice the population of the Slovak Republic, resources from and obligations to international bodies will be divided up accordingly. Each country will have control over the infrastructure and assets located on its territory. The only remaining matter to be cleared up, according to the German business weekly *Wirtschaftswoche*, is the apportioning of military stocks.

Says Ivan Gasparovic, chairman of the National Council: "We will show the world that the transition will be a smooth one. We want to continue having close links with the Czech Republic. Our political and economic structures have been closely integrated for 74 years, and should

nation-building, it is easy to forget that the country that will come into being on Jan. 1, 1993 will be completely different than the Slovak Republic of Czechoslovakia. Previously, Bratislava was "the other capital of the other republic." Transport, media, tourists and investment made their way to the Slovaks via Prague.

The future, independent Slovak Republic will be oriented toward Vienna and the West. Vienna's Schwechat airport is only 35 kilometers (21 miles) away from downtown Bratislava. A rapid-transfer link between Schwechat and Bratislava's airport is under consideration. To accommodate the constant stream of commuters and shoppers between the two cities, the existing thoroughfare will be widened.

Beyond Austria lies Germany and the rest of the EC. The Czech-Slovak federation's associate membership in the EC has been transferred to the Slovak and Czech Republics. The 165-page "treaty of association" stipulates the abolishing of tariffs and quotas in whole product sectors; others will be reduced to the levels enjoyed by Switzerland, Sweden and Austria.

always awarded high marks for its peoples' linguistic abilities, especially in regard to German, often described as the country's "second official language." For historical reasons, the Slovaks are equally fluent in English and French. At the turn of the century, more than a quarter of Slovakia's population — 700,000 people — emigrated to America. In fact, the articles of association setting up the Czecho-Slovak federation were formulated in Cleveland and Pittsburgh during World War I. Other principal emigrant destinations were France, Belgium and Canada.

From 1968 to 1989, a small but highly important wave of emigration took place. An estimated 10,000 of Slovakia's leading writers, artists and musicians went — or were forced — into exile. Many went to Paris, that traditional haven of dissidents, as well as to New York, Stockholm, Munich and Vienna.

Today, meetings with business delegations from the United States have become a regular item on the Slovak Chamber of Commerce's monthly agendas. Many of these American entrepreneurs have Slovak last names and a good working



Who's Who in Slovakia

• Born on July 26, 1942 in Zvolen, Prime Minister Vladimir Meciar began his career in 1959 as a local administrator. Having risen to a senior position in the government's bureau of audit, Mr. Meciar was purged following the post-1968 clampdown. He earned a law degree and founded a private-sector engineering office. He later worked as an attorney for a factory. At the end of 1989, Mr. Meciar returned to politics as one of the heads of the VPN, or Public Against Violence, a citizens' movement. In January 1990, he was appointed interior minister in the new Slovak government. Six months later, he became prime minister of the Slovak government. Although he fell from power in April 1991, Mr. Meciar, riding the electoral success of his new Movement for a Democratic Slovakia party, returned in June 1992.

• Ivan Gasparovic is chairman of the National Council of the Slovak Republic. Born on March 27, 1941 in Poltar, he received a doctorate in jurisprudence in 1964. From 1965 to 1968, Mr. Gasparovic was a district attorney in Bratislava. In 1969, he became a professor of law at Komsensky University. From July 1990 to March 1992, Mr. Gasparovic worked as a general district attorney for the Czecho-Slovak federation.

• Milan Knazko was born on Aug. 28, 1945 in Horne Plachtince. After studying acting in both Slovakia and France, he began his career in 1970.

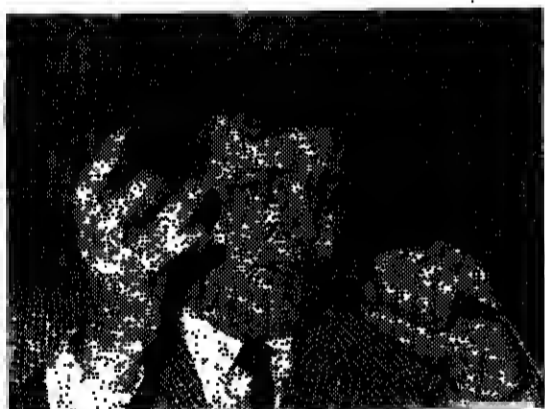
Over the next two decades, he became one of Czechoslovakia's most famous actors, appearing on the stage and on television as well as in the movies. One of the key organizers of the "velvet revolution," Mr. Knazko is deputy prime minister and foreign minister of the Slovak Republic.

• Slovakia's minister of finance, Julius Toth, was born on May 6, 1935 in Zvolen. After receiving a degree in engineering in 1960, he held positions in various iron-processing plants. In 1990, he helped privatize these plants.

• Slovakia's minister for administration and privatization, Lubomir Dolgos, was born on Aug. 20, 1956 in Podbrezova. After earning a degree in economics in 1983, he worked as a staff economist at the Slovak Academy of Sciences. Mr. Dolgos is the author of several critical studies of centrally planned economies.

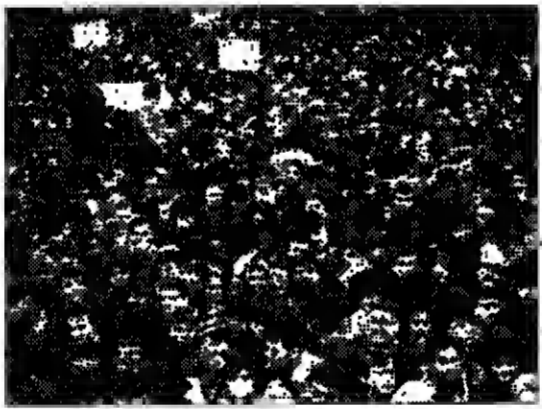
• Olga Keltosova is Slovakia's minister for work and social affairs. Born on Feb. 27, 1943, Mrs. Keltosova has a degree in journalism and worked as an editor of magazines for children and young people. Since June 1990, she has been a member of the parliament of Slovakia.

• Katarina Tothova is Slovakia's minister of justice. Born on Feb. 6, 1940 in Bratislava, Mrs. Tothova received a degree in jurisprudence in 1962. She served as a legal counselor before entering politics.



Top: Over the Danube, Bratislava's castle.

Left: Prime Minister Vladimir Meciar will serve, for the first time, an independent Slovakia. Right: Bratislava during the "velvet revolution" of November 1989.



pants denominate their office tenure in weeks and months.

Throughout Slovakia, the largest meetings are those of managers and entrepreneurs soberly and purposefully searching for markets and joint-venture partners for their newly founded or privatized companies. Around its borders, a similar, highly welcome sense of calm has settled in. After months of political high drama, the Slovaks and Czechs have gotten down to sensibly negotiating the special relationship a common history and geography have laid down for them.

In what will soon be 26 bilateral agreements, the two republics have agreed to set up a customs union and

stay that way. But we have to redefine our relationship. For years, both the Czechs and the Slovaks blamed each other for various problems. Now, if we fail in many areas, we can only blame ourselves.

Such no-nonsense reasonability even shows signs of pervading the dispute between Slovakia and Hungary over the dam and canal diversion of the Danube at Gabčíkovo. Two EC-led commissions have brought the facts of the matter back to center stage, quieting the salvos of nationalist rhetoric. A compromise allowing full use of Gabčíkovo and stipulating certain safeguards and standards is expected soon.

In the midst of this exercise in

In the past, the lion's share of the Slovak Republic's manufactured products went over the Tatra and Carpathian mountains to the Czech Republic and the other Comecon countries. When a large-scale facility upgrading and renovation is completed, Bratislava will be one of Europe's major inland ports. The Slovak economy will be directly downstream from Rotterdam, the world's largest port. Although strongly oriented toward the West, the Slovaks will have a continuing vested interest in the Czech Republic's prosperity — they own 20 million shares in the Czech's newly privatized companies.

The Czecho-Slovak Republic was

knowledge of the Slovak language. Visitors returning to Bratislava after a few years' absence are surprised at the city's sudden abundance of galleries, bookstores and literary cafes — and at the flawless French and English their owners often speak.

The Slovaks have long been skilled diplomats and soldiers. For 10 centuries, they served the Kingdom of Hungary, the Austro-Hungarian empire and the Czecho-Slovakian federation.

On Jan. 1, 1993, when Vladimir Meciar takes the oath of office as the country's prime minister, it will represent the first time in history that the Slovaks will be serving their own state.

Terry Swartzberg

Introducing the Slovak Republic

Area: 49,035 square kilometers
Population: 5.26 million
Population makeup: 85 percent Slovak, 11 percent Hungarian, Ruthenian and Gypsy minorities

Major cities: Bratislava (pop. 440,421), capital
Kosice (pop. 238,454)
Zilina (pop. 97,537)
Banska Bystrica (pop. 78,321)

Prime minister: Vladimir Meciar
Chairman of the National Council: Ivan Gasparovic
Deputy prime minister and minister of foreign affairs: Milan Knazko
Currency: koruna (crown), floating and freely convertible. \$1 = 27 koruna
1991 GNP: 346 billion koruny
Total industrial production (first

half of 1992): 175.6 billion koruny, up 19.3 percent over first half of 1991
Exports (first half of 1992): 40.9 billion koruny, up 14.8 percent over first half of 1991
Total work force (1991): 2.22 million
Agriculture: 243,000
Industry: 753,000
Construction: 229,000

Useful Addresses:

SNAPID
Slovak National Agency for Foreign Investment and Development
Manesovo Nam 2
851 01 Bratislava
Tel.: (42 7) 847 219
Fax: (42 7) 849 806
Director: Radovan Peknik
(Investment promotion authority)

Ministry of Economy
Mierova 19
827 15 Bratislava
Tel.: (42 7) 232 041
Fax: (42 7) 230 122
L'udovit Cernak, minister
(also responsible for the ministries of industry and of trade and tourism)

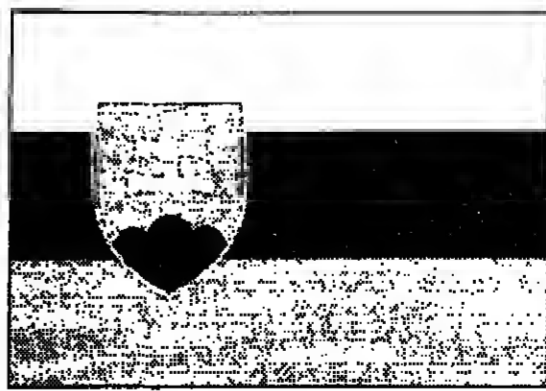
Ministry for Administration and Privatization of the National Property of the Slovak Republic
Drienova 24
820 09 Bratislava
Tel.: (42 7) 234 332
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L'ubomir Dolgos, minister

The Slovak Chamber of Commerce and Industry
Gorkeho 9
816 03 Bratislava
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Fax: (42 7) 330 754

Slovakotourist
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Slovakotour
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The Transformation of the Economy

Slovakia is employing a wide range of measures to privatize its economy, once strongly concentrated on vertically integrated heavy industry and agricultural conglomerates. A new generation of companies and entrepreneurs is now engaged in building the country's highly decentralized private sector.

In a region currently swept by privatization doctrines, the Slovaks are pragmatists. Their official privatization program is unfolding briskly, and uses an equity coupon scheme originally formulated by Vaclav Klaus, then finance minister of the Czech and Slovak Federal Republic. Following the example of Eastern Germany's Treuhänder authority, Slovakia has auctioned off 90 percent of its expansive retail sector to owners. Foreign-controlled capital venture funds are given full access to the market and have bankrolled a number of young companies.

This broad base of business represents a sharp break with the past. After World War II, Slovakia's long centuries of subsistence agriculture and decades of on-again, off-again industrialization came to an abrupt halt. The newly founded Comecon needed an arms and heavy industry center, and Slovakia, relatively poor in resources but rich in educational and technical skills, was selected. A handful of huge conglomerates was created, including Bratislava's Kermetal and Onnia and Martin's ZTS Trust. Ten percent of the work force was directly or indirectly employed by the defense sector.

This reliance on passé and unpromising industries was one reason forecasters tended to view Slovakia's economic prospects with skepticism. Rising unemployment estimates of up to 11 percent in some regions and declining GDP — by 5 percent to 10 percent in some surveys — cemented this negative impression.

The latest facts, however, tell a story of growing business confidence and interest in the republic.

Over the last few months, various multinationals have made major investments in the area. These foreign companies, based in all industrial sectors and from 45 different countries, report two main reasons for investing in Slovakia. The first is "net unit costs," a term used by economists to describe how much it actually costs to produce an item and bring it to its end market. As companies admit, it is hard to find a cheaper manufacturing base than Slovakia. According to a recent survey by The Economist, Czech-Slovak wages are the lowest in Europe — one-twelfth of those in Germany — and are undercut only by China's among major industrialized countries. Slovak machines and facilities are being brought up to Western standards and, in many cases, actually surpass them. The result, states Erich Kráček, senior executive at the Slovak National Agency for Foreign Investment and Development, is products of good quality and "unbeatable" prices.

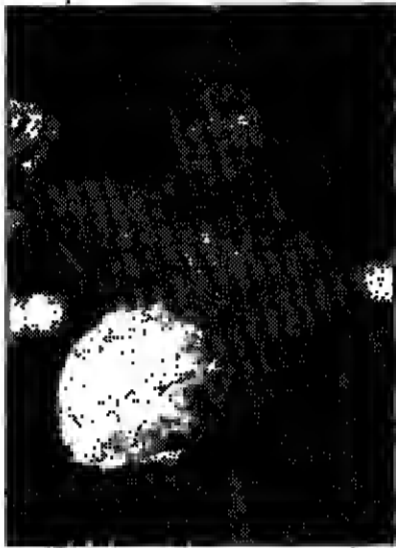
Moreover, Western companies are generally spared having to conduct costly vocational education programs for their new staffs. Says Günther Thumser, the Austrian managing director of Henkel Palma, a Bratislava-based consumer products joint venture: "Aside from doing quite a bit of on-the-job training in Western marketing skills and administrative procedures, our personnel have proven to be highly qualified and motivated, as judged by Western standards."

There are any number of countries in which it is possible to produce

inexpensively. But thanks to geopolitical luck and a far-sighted policy initiative by the European Community, Slovak companies are able to avoid ruinous transportation and tariff charges. As a successor state to the Czech-Slovak federation, Slovakia is set to maintain its associate membership in the EC. This membership gives tariff and quota easements to such bread-and-butter Slovak products as textiles, clothing, food and steel goods.

Says Ivan Gasparovic, chairman of the National Council: "We will be a serious partner for the West in terms of trade and foreign investment. Slovakia will continue to move toward a free-market economy and reorient its trade. Let me emphasize: we are not 'moving' toward a place in Europe. We are already an integral part of Europe."

The Bratislava metropolitan area, the heartland of Slovakia's new industrial base, is right on the Austrian border. Thanks to the Rhine-Main-Danube canal, Bratislava is now connected to the North and Black Seas. Although less rapid, transport on the Danube costs one-quarter the



price of rail transport and one-eighth that of shipping by truck.

Most of the estimated 7,000 companies now constituting Slovakia's private sector produce for their domestic market, where cheap wages and high productivity allow them to compete successfully against imports.

A most hopeful sign is the native affinity Slovaks seem to have for entrepreneurship. Says Leighton Q.J. Klevana, director of Bratislava's Czech & Slovak American Enterprise Fund: "We've had 2,000 inquiries and 400 serious applications since we got started." Mr. Klevana, an American lawyer and consultant of Slovak extraction, has been managing the CAEP's Bratislava office since it opened its doors in July 1991. Founded by the U.S. government and endowed with \$60 million over three years, it was given a clear-cut and difficult mission: fund new small and medium-sized companies by providing loans or taking equity stakes. To date, Mr. Klevana's office has dispensed \$10 million to 21 companies whose activities range from manufacturing metal gaskets and motorcycles to processing food.

But the spirit of entrepreneurship

is not limited to Bratislava. Ondrej Csanda is mayor of Nove Zamky, located in the heart of Slovakia's fruit belt, some 25 kilometers (15 miles) north of the Danube and the Hungarian border.

Through large-scale personnel buyout schemes and the setting up of joint-stock corporations owned by the general public, nearly all of Nove Zamky's economy is going private. This includes its food-processing, machine-building and electro-technical companies as well as its farms.

As Mr. Csanda explains it, personally working in the Nove Zamky district's collective farms decided against a return to minuscule private plots. "Simply not efficient for modern agriculture," states the mayor. Instead, following the trend of the times, the farmers set up joint-stock companies.

In their official publications, Slovaks distinguish between the misleadingly titled "standard" and "nonstandard" privatization. Standard privatization involves the purchase of a state-owned company or some of its assets from the National Property Fund by sale or auction.

Stoking the economy:

Slovak expertise

in the Lednické

Rovne glassworks

contributes

its share.

According to the latest figures available, 300 standard privatizations have taken place, raising \$533 million.

Nonstandard privatizations in Slovakia involve nearly all the country's working population of 2.5 million, who now own shares in more than 500 joint stock companies worth almost \$3 billion. The Slovaks became citizen-shareholders by purchasing vouchers, coupons that could be exchanged for shares in companies of their choice.

These shares can not yet be traded, as their owners are obliged to hold on to them until Jan. 1, 1994.

Enter René Vochyan and the Bratislava Option and Futures Stock Exchange. This Swedish-Slovak joint venture is based on a simple and ingenious idea. The Slovak economy needs liquidity, and the best way to get money in circulation is to find a way for its shareholders to cash in their stocks now. For example, the shareholders agree to deliver their shares on Jan. 1, 1994 at a certain price, the buyers amass considerable equity stakes and the exchange's shareholders earn money from selling seats at their exchange.

T.S.



Bratislava residents sign petitions in support of the completion of the Gabčíkovo hydroelectric power plant.

Cleanup: Land, Air, Water and Industry

Slovakia's environment has suffered from decades of abuse. As economic development was long the top priority, few steps were taken to protect the environment. With limited funds available, the government now faces a double-edged challenge.

"The air, water and earth are polluted, the forests are damaged and the land is devastated," leading to a "critical state of health of the population," said Slovak Minister of the Environment Jozef Zlocha at a recent environmental congress in Vienna.

Over time, inefficient production methods, outdated technologies, high energy use and a general disregard for the ecological balance of the region have taken their toll.

Government statistics show how big the cleanup task will be. The Slovak Republic emits 1.6 million tons of noxious fumes into the atmosphere annually, particularly from its metallurgical, chemical, construction and cellulose industries. Only 25 percent of the groundwater can be used without treatment. Most sewage does not flow through public sewage systems. A number of large towns do not yet have any purification plants. Half the forests, which make up 40 percent of the republic's territory, are severely damaged. Although 40 million tons of garbage are produced each year, including close to 500,000 tons of toxic waste, there are only two large incineration plants. Around 3,000 illegal dumps exist.

"Public awareness of the seriousness of the problem is limited, confined only to a few small groups," says Helena Vartikova of SZOPK, the Slovak Center for Environmental Public Advocacy, the republic's largest environmental organization. "At this point, most Slovaks are too concerned with political and economic issues to make the environment a top priority."

As a case in point, the republic intends to generate as much electricity as possible from domestic

sources. Despite widespread international opposition, particularly from Hungary, Slovakia began operating the hydroelectric power plant and dam at Gabčíkovo, which entails a diversion of the Danube. Environmentalists fear that the dam, which will produce 720 megawatts of electricity, will upset the ecological balance in the Danube region, destroying wildlife, flooding valuable land along the river banks and endangering the area's vast underground water supplies. The government denies the hazards, insisting that it has invested \$75 million in scientific and feasibility studies alone.

The huge nuclear power complex at Jaslovské Bohunice generates half of the republic's electricity. Two of the four plants, which produce 440 megawatts each, are considered unsafe and technically antiquated. Although international experts are pressing for Slovakia to close them down, the government wants to modernize them.

A number of positive steps have been taken. In 1992, the Environmental Ministry was set up, along with 160 local environmental offices and an information and monitoring network. The government is in the phase of analyzing the situation and setting priorities. It has set up the Slovak Environmental Fund and is busy developing a comprehensive environmental program, designed to reduce pollution from industry and traffic, increase agricultural efficiency and switch to alternative energy sources.

The government is committed to fulfilling Article 80 of its association agreement with the European Community on cooperation in the area of environmental protection. Legisla-

tion, including an environmental act, has been passed, setting fines for air polluters and requiring new sources to meet the best achievable pollution levels within five years. Five national parks have been created.

Numerous individual projects are under way: a desulfurization project at the Novaky power plant, modernization of the thermal station at Koscice and a five-to-seven-year program to cut emissions in the metallurgical sector by 50 percent.

It takes time to restructure industry, change individual habits and develop effective legislation and environmental education programs. Like much of Eastern Europe, Slovakia simply does not have the financial resources to implement many large-scale projects. Expenditures for 1992 are estimated at around 3.4 billion koruny (\$130 million).

Mr. Zlocha admits that successful action "depends much on the development of the economy and structural changes in business." Furthermore, the government is hoping to attract financial assistance for environmental projects from Western sources, particularly the European Community, the European Bank for Reconstruction and Development and the United States. It is pushing for intensified regional cooperation with its neighbors in Central Europe.

It is also looking for Western know-how to develop effective strategies. For example, the recent Vienna Conference on the Ecological Reconstruction of Central and Eastern Europe, sponsored by Global 2000, an Austrian-based environmental group, adopted a special "Action Plan" to expand cooperation of East-West governmental and non-governmental organizations. C.S.

Western Investors Discover Slovakia

The Slovak economy, once geared to the Soviet market, is being reoriented. The West accounted for 56 percent of its trade in mid-1992.

Foreign investment in Slovakia is still small compared with that in Hungary, Poland or the Czech Republic. Although Slovakia has a population of 5 million, half that of the Czech lands, it accounted for only 13 percent of the estimated \$1.1 billion that poured into the country by mid-1992, and 28 percent of total exports. Less than a dozen companies pro-

pose to commit more than \$10 million each to their Slovak ventures. As of June 30, the number of joint ventures in Slovakia was 2,129 as opposed to 7,657 joint ventures for the Czech Republic. Austria accounts for 40 percent of joint ventures with foreign participation. In terms of capital invested, Germany, Austria and the United States have been the top investors.

There are encouraging signs that foreign investors have gained confidence in the Slovak Republic. Foreign investment through joint ventures or privatization has risen to \$200 million, and represents close to 70 percent of the capital of newly established companies. In May 1992, the French chemicals group Rhône-Poulenc acquired a majority stake in Chemlon, one of the republic's biggest chemical factories. Electronics giant Siemens of Germany purchased a share of cables firm Kabelovna, a key element in the company's production plans for the Danube area. Swiss confectionery producer Jacobs Suchard established a joint venture with Figaro Bratislava, a producer of candies. K. mart, Volkswagen, Rhône-Poulenc, Mölnlycke and Henkel lead the list of top individual investors. Nestlé, MG, Samsung, Whirlpool, IKEA, Coca-Cola, Caterpillar, Alcatel and Hoechst are among the other prominent names that have opted for Slovakia, as have other German and especially Austrian companies such as Maculan, Julius Meinel, Glassner and Wienerberger.

In the first half of the year, Slovakia had a positive balance of trade, increasing its overall exports by 7.4 percent while reducing imports by 20.4 percent. Although industrial output declined and unemployment increased, the republic succeeded in increasing productivity and currency reserves and cutting the inflation rate.

The Slovak government is moving to entice further foreign investment, which is considered crucial to increasing exports, gaining access to Western know-how and reducing unemployment. "Attracting foreign capital is a top priority. We are confident that investors will learn to value a Slovak location," says Dagmar Repceková, a top official at the Ministry of Economics.

Slovakia hopes to capitalize on its highly educated, skilled work force and low labor costs, as well as its stable currency, low inflation rate and comparatively low foreign debt. Its geographical location in the heart of Central Europe, along the Danube near Vienna, makes Slovakia an attractive base for both East and West European markets.

So far, foreign interest has focused on processing and construction, retail business, finance and insurance. A number of other sectors are considered particularly ripe for foreign investment, including chemicals, fuel and power industries, banking, tourism, textiles, energy, metallurgy and mechanical engineering. The chemical and metallurgy sectors account for a third of total industrial production in the republic. A half-dozen Western companies have put in bids for a 14 percent stake in the huge Slovnaft refinery complex.

The cornerstone of Slovakia's efforts to attract foreign capital are plans to offer far-reaching tax concessions, including two-year tax holidays for all companies with foreign participation, rising to five years for arms-conversion or ecology-related projects, and up to 10 years for investments in banking, high technology and greenfield projects. Up to 100 percent foreign ownership, full repatriation of profits and capital in hard currency and tax holidays to new businesses with 30 percent or higher foreign participation are further incentives.

Because 80 percent of the joint ventures and three-quarters of foreign capital in Slovakia are concentrated in Bratislava, regional development programs will be carried out. The government intends to apply for membership in the International Monetary Fund and World Bank. A Slovak National Bank will be set up once Slovakia becomes independent.

Concludes Zdenek Lukas, Czechoslovak expert at the Vienna Institute for International Comparative Studies: "The challenge for Slovakia is to establish the legal framework for a free-market system, restructure its economy and give foreign investors confidence in future developments. It must also convince the West that it is serious in moving toward a parliamentary democracy." Clifford Stevens

Progress Toward Settlement of Gabčíkovo Dam Dispute

A European Community-led consensus has emerged on how to settle the dispute over Slovakia's Gabčíkovo power station and canal. It envisions the full operation of the facility on the Danube within certain limits designed to ensure the protection of the riverside environment and the national interests of both Slovakia and Hungary.

Both Germany's Rhine-Main-Danube canal and the facility at Gabčíkovo in Slovakia are recently completed, integral parts of Europe's longest water artery. Both represent the age-old trade-off between economic progress and environmental impact. Each uses a rechanneled river and a canal to create a navigable waterway; for each, the waters of the Danube and its tributaries serve as a source of power and irrigation.

Whereas the 171-kilometer (106-mile) Rhine-Main-Danube canal was inaugurated on Sept. 25, 1992 in a splashy ceremony featuring prominent politicians and world media coverage, the commissioning of Gabčíkovo, 25 kilometers long, at the beginning of November 1989 capped a three-year-old controversy.

In 1989, Hungary pulled out of its 12-year-old treaty with Czechoslovakia to build a two-dam, two-canal complex centered on Gabčíkovo, a town 40 kilometers southeast of Bratislava. The new, popularly elected Hungarian government declared that the dam and the canal attached to it would divert so much water from the "old" Danube that the riverside environment would dry out and groundwater levels would sink, with disastrous impact. The Czechoslovak and then the Slovak governments went ahead with the plan, pointing out that the project was

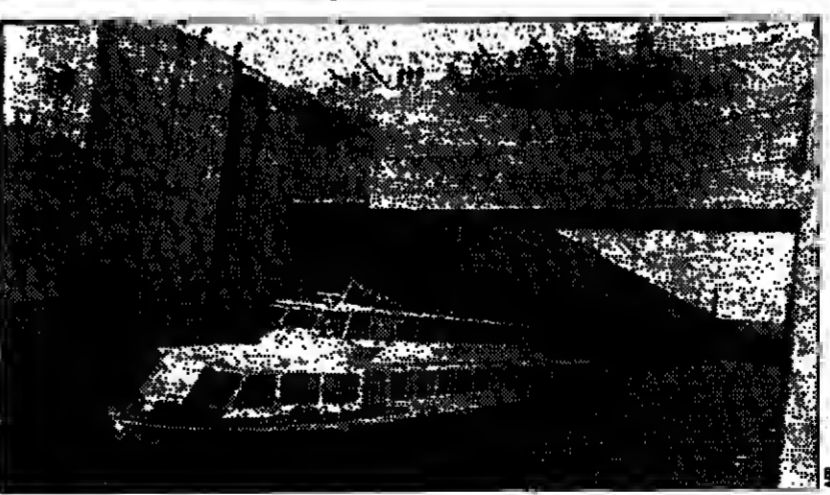
nearly completed, the money spent and the environmental damage, such as it was, already a fact. The Hungarians saw the decision as a threat to their national sovereignty. A bilaterally controlled waterway was being unilaterally rerouted.

In the following months, several key Slovak arguments were raised:

- Since the Danube is shallow and meandering for much of its length, and as its water levels vary widely with the seasons, it would be unfit for ship traffic should channeling schemes not be undertaken. Austria, for instance, has built eight facilities similar to Gabčíkovo; a ninth is under construction. Were Gabčíkovo not there, it would be necessary to build something else.

- The Danube's increasing propensity to flood makes raising its river banks a necessity. In this century, according to Julius Binder, general director of the Slovak water management authority, there have been six catastrophic floods, as opposed to one in the 18th century. The cause: the felling of Alpine forests for ski slopes and roads.

- By providing an extra route for floodwaters, Gabčíkovo can reduce the danger of floods. This extra volume of water, argue the Slovaks, would also defuse Hungarian claims that the dam would radically dry out the ambient environment.



In November, the press was given a preview of the Gabčíkovo dam.

Still, as Mr. Binder admits, a project like this has a major impact on the environment. While disputing Hungarian assertions that groundwater levels had dropped precipitously, enough to dry out local wells, Mr. Binder readily admits the need for a variety of conciliatory measures.

In fact, Mr. Binder states, these measures have already been taken. Some 2,000 kilometers of canals have been dug on both sides of the Danube, enough to assure the supply of water to farmland and natural preserves.

Meanwhile, the power generated by the Gabčíkovo dam will presumably allow the Slovaks to shut down at least one highly polluting conventional power plant. It has even been suggested that Gabčíkovo could serve as a substitute for the danger-

fraught nuclear power plant at Jaslovské Bohunice.

Enter the EC and its two commissions, both made up of independent experts and representatives of the Czech and Slovak republics and Hungary. Meeting in early autumn, the first commission suggested continuing with the work of Gabčíkovo in the interests of flood protection and ship traffic. According to recent reports, the second commission's findings will recommend the operation of Gabčíkovo under certain conditions, including the maintenance of a water level 4.5 meters above the "old" Danube's riverbed and various other safeguards designed to respect national and environmental rights.

Backed by broad international support, these findings could very well end the Gabčíkovo dispute.

T.S.

ADVERTISING SECTION

ADVERTISING SECTION

Portrait of Bratislava, at Long Last a National Capital

As the capital of Slovakia, Bratislava was long overshadowed by Prague to the north, Vienna to the east and Budapest to the west. During its thousand-year history, the city was ruled at one time or another by all three.

When Slovakia becomes an independent nation upon the breakup of the Czechoslovak federation on Jan. 1, 1993, Bratislava will have a chance to prove itself as a European national capital.

It will be the first time that the city will serve as the center for a self-governing Slovak people. For the last 74 years — except for a brief period during World War II — Bratislava has been Czechoslovakia's second city, after Prague. Before the Czech federation was formed in 1918, Bratislava was under Budapest's wing, near the western border of Hungary. Even when Bratislava itself was the Hungarian

capital, from 1536 until 1783, it was mostly dominated by Austria's Habsburg dynasty.

The ultimate symbol of the city's 10 centuries of foreign domination is the Bratislava castle. Named after a fifth-century Slavic leader, Bratislav, it was built as a hill fort for the Slavs.

Although the castle has been rebuilt several times, it still stands majestically on a hill between the Lesser Carpathian mountains and the Danube. With its four distinctive corner towers, it remains the principal landmark for Bratislava's 450,000 residents.

Down below, many Renaissance and Baroque

buildings in the quaint Old Town are being restored, including the palaces that once belonged to aristocratic families of Austria-Hungary.

New cafés and restaurants are competing for customers, while traditional institutions, like one of Europe's largest beer halls, the *Stara Sladovňa* (Old Brewery), still serve a packed house on weekends.

There is major change as well, especially in Bratislava's transportation infrastructure. One project is the building of a city subway system. Plans have already been mapped out for the proposed 43-kilometer (27-mile) network.

The first line, seven kilometers long, will connect downtown Bratislava with the district of Petržalka, a gigantic complex across the Danube that houses 150,000 people. The entire subway is targeted to open in 1997 at an estimated cost of 100 billion koruny (\$3 billion).

France's Matra Transport and French banks are currently discussing the possibility of a joint venture with the Slovak government in order to help finance and build the system.

Another important project already off the ground is the expansion of Bratislava's Ivanka Airport. This includes a new terminal being erected next to the present two-gate building.

"The airport is constructing an international terminal with three gates," says Dusan Podhorsky,

general director of Tatra Air, Slovakia's first privately owned passenger airline and one of the airport's main carriers.

According to Mr. Podhorsky, the volume of passenger traffic at the airport is expected to increase from 300,000 this year to a half million in 1995.

Because of a growing number of West European companies interested in doing business in Bratislava, Tatra Air has recently begun operating regularly scheduled flights to Zurich, Frankfurt, Munich, Stuttgart and Berlin. The airline also provides an air taxi service.

Improving the transportation infrastructure inevitably means strengthening ties with Vienna. The Austrian capital, only 64 kilometers away, once considered Bratislava — "Pressburg" in German — a suburb. That was at the

beginning of this century, when the "Pressburgerbahn" provided quick train transport between the two cities.

Part of this line was dismantled over 50 years ago. Today, the only direct passenger rail link between Bratislava and Vienna is a daily, low-capacity service. Officials of the Slovak State Railway and the Austrian Federal Railway are planning to upgrade the line as well as build modern commuter lines that would increase both capacity and frequency.

At an estimated cost of 1.5 billion koruny, construction is set to begin in 1994.

"The new lines would provide fast, easy connections between the cities," says Hannes Swoboda, Vienna's councilman for urban planning and transport. Darrel Joseph



Michael's Tower, in Bratislava.

Historic Treasures Waiting To Be Discovered by the West

Thanks to such conveniences as a freely convertible currency and attractive hotels and restaurants, Slovakia's extensive natural and cultural attractions are drawing more and more travelers from the West.

The carved church at Hervartov, with its soaring wooden vaults, was until recently known in the West only through a few lavishly illustrated coffee-table books and a smattering of travelers' tales.

The Gothic style took two centuries to make its way eastward across the length of Slovakia and over the Tatra and Carpathian mountains to Hervartov. There, in the late 15th century, local craftsmen expressed the dignified Gothic forms in the most abundant and inexpensive material the region had to offer: wood. Every hundred years or so, the "log cathedral" was renewed by the craftsmen's descendants, with fidelity to their ancestors' design.

For the Western world, the church at Hervartov — like the vast expanses of the Mala Tatra national park, the fortified promontories of the Spis region and Slovakia's other natural and cultural attractions — were, until three years ago, largely inaccessible to tourists from the West.

Just getting to Bratislava used to mean overcoming exasperating, restric-

tive visa and currency formalities and tolerating antiquated and uncomfortable methods of transportation. The farther one went, the fewer restaurants, hotels and international telephone lines were available.

East Europeans, of course, did not lack opportunities to explore Slova-

Art Nouveau spas, whitewater rafting

kia. In fact, 15 million people a year went Alpine climbing and hiking in the High Tatras, whitewater rafting in the Dunajec river and spelunking in Dobšinská ľadová jaskyňa. Such cities as Levoča and Banská Bystrica — honored by UNESCO for its historical and cultural value — filled in for Siena and Caracassonne.

But, Slovakia's prime tourist attractions — and one of the prize perks in the entire East bloc — were 23 towns bearing such names as Turčianske Teplice and Strbské Pleso. These spas offered more than medicinal waters, mud packs and massage

treatments. Their Edwardian and Art Nouveau buildings and intricately landscaped grounds brought visitors to a world far removed from that of centrally planned high-rises.

Piestany, Slovakia's leading spa, is located on an island in the Vah River 145 kilometers (90 miles) from Vienna and 83 kilometers from Bratislava. Its main building, the Thermania Palace, was completed eight decades ago. This Belle Epoque jewel, whose sumptuous decors are the equal of anything at Baden-Baden or Bath, has a waiting list for rooms that is several months long.

"About one-third of our 35,000 guests a year now come from abroad," reports Jan Sipos, the spa's sales manager. "We're at 61 countries and counting."

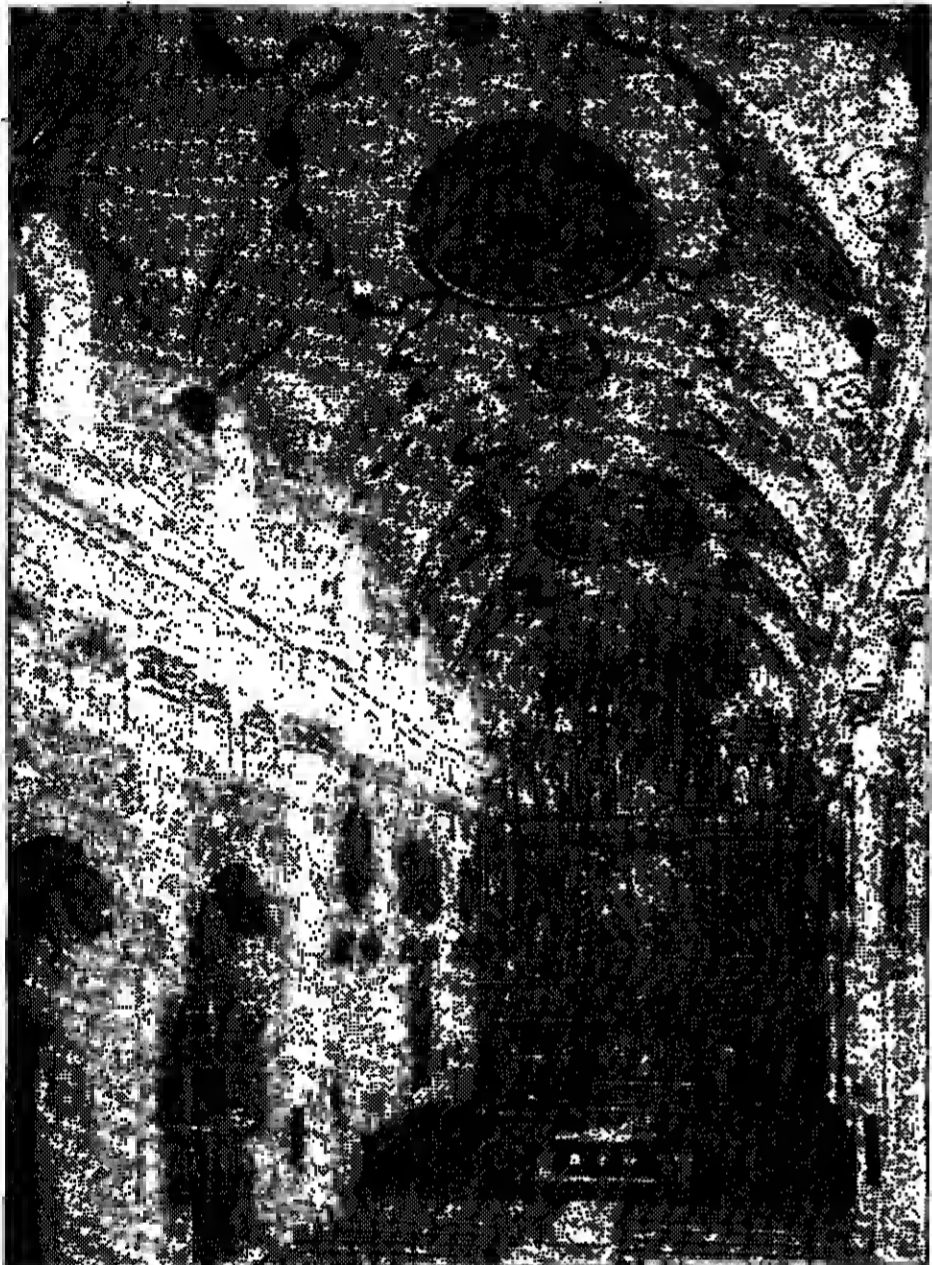
While the revolution brought only marginal changes to Piestany — a change in corporate status and even more demand from abroad — it has refashioned much of the rest of the country. The highway running northeast from Bratislava toward the

Tatras, once the province of overloaded trucks and Skodas, is now populated with those harbingers of tourist discovery: cars bearing the D and A stickers of Germany and Austria — as well as spanking new gas stations advertising lead-free gasoline to serve them.

This growing popularity arouses mixed feelings in Bratislava's small and lively expatriate community. During walks through the city's captivatingly jumbled historical and villa quarters, the visitor's attention is proudly drawn to treasures from the past and present: from the castle that was for three centuries the seat of Hungary's kings to new automatic currency-exchange machines.

In the subterranean vaults of the New Model club, however, the worry is voiced that Bratislava may soon become a second Prague, choked with tourists driving up prices and spoiling the sense of intimacy that out-of-the-way places offer. "I know of no place in which the 17th and 18th centuries come so completely to life," says Mark Templar, a teacher of English from Los Angeles. "It would be nice if it stayed that way."

Most Slovaks themselves do not share this concern. After four decades of political isolation, the country's residents are eager to inform visitors of the country's attractions, from ski resorts in the Tatras to English-speaking hoteliers and the acceptance of credit cards. T.S.



The university church in Trnava with its early Baroque altar.

The Culmination of a 1,000-Year History

The Slovak Republic will become an independent state on Jan. 1, 1993. For many citizens, the new era represents a turning point in a turbulent, thousand-year history. Over the centuries, Hungarians, Czechs, Germans and Soviets have all left their mark on the Slovak nation.

Slovak history is often traced back to the seventh-century Slavic King Samo and the Moravian Empire of the second half of the ninth century and its three dukes, Mojmir, Rastislav and Svatopluk. Hungary's founder, King Arpad, subjugated and integrated what is now Slovakia as "Upper Hungary," a situation that remained basically unchanged for 900 years. The agrarian Slovaks were politically and culturally suppressed, exploited and assimilated. The ruling class was predominantly Hungarian.

In 1526, the Austrian Habsburg monarch Ferdinand acquired the Hungarian crown and thus Slovakia, following the first of the Turkish invasions of Europe. Although the Slovaks had limited power, geographically the region played a key role in Hungarian history. Pressburg, today Bratislava, became a leading Central European metropo-

The Slovak nationalist movement emerged in the 19th century

lis, the site of many of the major events in Hungarian history: the Counter-Reformation, sessions of the Hungarian Parliament and 11 imperial coronations in the Austro-Hungarian empire, the latest in 1830. Kosice, in eastern Slovakia, was the city of Hungary's Catholic martyrs; in Tyrnau, the first Hungarian university was established.

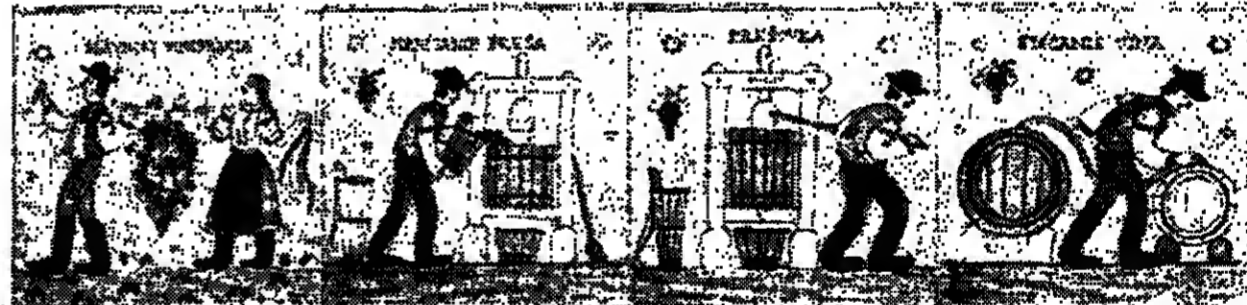
During the Revolution of 1848, Hungary's attempt to free itself from the grasp of the Austrian rulers in Vienna was not supported by Slovakia, which in turn declared itself independent of Hungary. A special Slovak legion even helped Austrian Emperor Francis Joseph I to put down the Hungarian rebellion. The monarch granted the Slovaks a limited degree of autonomy.

The Slovak nationalist movement emerged in the 19th century, connected to such names as Ludovít Štur and Andrej Hlinka. In the mid-1800s, the Slovak language was first codified. A Slovak cultural life developed, and the first Slovak newspapers and books began to appear. In 1863, the Matica Slovenska was founded, a Christian-oriented cultural and nationalistic organization.

Slovak hopes for complete autonomy came to an abrupt end in 1867, when Francis Joseph I and Hungary reached a comprehensive agreement which, among other things, gave the Hungarians free rein in their own territory. The Magyarization of the region was brutally enforced. Slovakia was impoverished, and hundreds of thousands emigrated abroad. The Slovaks had neither political representation, higher educational facilities nor cultural institutions.

Modern-day Czechoslovakia was formed out of the ruins of the Austro-Hungarian Empire by the post-World War I treaties of St. Germain and Trianon. Czech and Slovak emigrants met in Pittsburgh, agreeing to form a new nation based on the principle of maximum autonomy for the different regions. In late 1918, the Czech republics of Bohemia and Moravia, which had belonged to the Austrians, were federated with "Upper Hungary," then to be known as Slovakia. The new nation was also granted the "Carpathian Ukraine."

Czechoslovakia's founder, Tomas Masaryk, aimed at creating a "Slavic Switzerland" in part to create a solid Slavic majority against the Germans in the country. He campaigned for the idea in Washington, Paris and London. The victorious Allies saw the new nation as a strong counterweight to Germany to the west and Hungary to the east. Despite American President Woodrow Wilson's proclaimed right to self-determination, the Czech constitution of 1920 provided no guarantees for Slovak autonomy. Many Slovaks went along with the idea of the



new nation as a means of resisting Hungarian subjugation.

The problems that arose between Czechs and Slovaks were not confined to linguistic differences. The Czechs were cosmopolitan, modern Europeans, with a high concentration of industry and a rich cultural and political tradition. The Slovaks, on the other hand, were primarily a rural, agricultural people with limited political experience.

"For the 70 years of its existence, Czechoslovakia was an uneasy union," says University of Vienna Professor Erika Weinzierl. "The Slovaks were far better off than under Hungarian rule. But they had the impression that they were treated as second-class by the Czechs and therefore at a distinct disadvantage."

Prague reacted to the union by sending in teachers and officials. To many Slovaks, it was an act of colonialism, replacing Hungarian with Czech domination. For the Czechs, it was seen as a necessity, a counterweight to the Magyarization of the territory. The middle class of Slovak lawyers, teachers, doctors and other professions needed to run the country was virtually nonexistent. Despite domination by the Czechs, the Slovaks did enjoy numerous privileges they had not had under Hungarian rule: political representation, their own schools, a university in Bratislava and newspapers and magazines.

Many Slovaks considered the new nation to be a historical idiosyncrasy, a Czech-controlled artificial entity. Slovakia's ambitions to become independent intensified in the period 1918-38, led by the Slovak People's Party and the Catholic Church. The 1938 Munich accords granted Sudetenland in west Bohemia to Hitler's Germany, whereas Slovakia lost parts of its eastern and southern territory, as well as the Carpathian Ukraine to Hungary.

In 1939, Bohemia and Moravia became German protectorates, while Slovakia experienced a brief period as an "independent nation" until 1945. Catholic priest and nationalist leader Jozef Tiso traveled to Berlin in 1938. Historians say Tiso was given an ultimatum by Hitler to declare an independent state immediately or face invasion by Hungary.

The newly formed clerical-Fascist state was under German hegemony. Thousands of Slovaks were sent to the front to fight for Germany, and the government actively promoted the deportation of 60,000 Jews to

concentration camps. Though many Slovaks did not agree with the puppet government, the majority supported the creation of an independent state.

Tiso is still widely admired as a nationalist protecting Slovak interests, with no other choice but to bow to Hitler. Still, the Slovak parliament recently declared August 29 a national holiday commemorating the unsuccessful 1944 revolt of the Slovak army against the Tiso regime and the Third Reich, which was followed by German occupation. Czechoslovakia was restored in 1945, and Tiso hanged in 1947.

In 1948, the Communists took power in Czechoslovakia. Slovakia was granted broad rights within the federation, sending legislators to the central parliament in Prague, and economic development was accelerated. Its industrial and economic policies, however, were determined by Soviet needs. Slovakia became part of the "Czechoslovakian Socialist Republic." Ironically enough, Slovaks played a key role in the country's recent history. The 1968 Prague Spring, which resulted in the invasion by Warsaw Pact forces, was led by Slovak Alexander Dubcek, and put down by fellow Slovak Gustav Husak.

Czechoslovakia's "velvet revolution" of 1989 and the ascent of dissident writer Vaclav Havel to the presidency did not dampen Slovak nationalism. In addition to historical animosities, Slovaks have been resentful of what they consider to be unfair treatment by the central government in Prague. They say Slovakia carried an undue share of the burden of the economic reform program led by Finance Minister Vaclav Klaus, and were at a disadvantage in terms of economic and cultural development.

The Czech and Slovak republics were unable to agree on forming a union or confederation. In June 1992, Vladimir Meciar's Movement for a Democratic Slovakia party received a clear mandate from voters, winning 74 of the 150 seats in Slovakia's parliament. Despite broad opposition to an open split, Slovakia declared itself a sovereign republic in July and adopted its own constitution in September. Negotiations between Mr. Meciar and Czech leader Vaclav Klaus in October paved the way for a smooth transition, with a series of bilateral agreements to be worked out to regulate relations between the two nations.

C.S.



Hong Kong for Kids? Sure

By Susan G. Hauser

HONG KONG — Before I could grab the rail to keep from hurling over the brink, an attendant stepped forward and shoved me. I screamed, but my speeding body passed my voice going down. I descended so quickly and steeply that my heart seemed about to fly out the top of my head. I kept on screaming to the end.

When I hit the pool with a splash, I realized two important things: I was still alive, and my swimsuit was hooked up so high between my legs that I was decidedly indecent. Quickly regaining my senses and my decorum, I greeted my two children, who also had just come down a giant waterslide at Hong Kong's Water World.

I, who am scared of heights, had just climbed a tower about the size of a skyscraper in order to plunge down what I remember as an almost vertical waterslide.

Ah, the things we do for our kids. If I had traveled to Hong Kong in the company of adults, rather than my 9-year-old daughter and my 11-year-old son, I might not have included such a death-defying feat on my itinerary. As it was, we planned our week around activities that the kids would enjoy and that I probably wouldn't mind.

My kids said they would rather have gone to Disneyland — that is, until I showed them a brochure for Ocean Park and Water World. Ocean Park is Southeast Asia's largest amusement park, with plenty of rides and attractions such as a shark aquarium, butterfly house and performing animals. Next door is Water World, with swimming pools, wading pools, wave pools and lots of waterslides, either curvy or plunging straight down.

We stayed at the YMCA. My thinking was that a trip halfway around the world would seem less daunting to my children if they knew there was something familiar, like a locker room, at journey's end. Besides, the trip, sponsored by our local Y, had a price tag suited for members like me.

Doing Hong Kong child-style was all right with me, from our very comfortable accommodations to our frenzied shopping trips to enlarge the kids' troll doll collections. In fact, it was probably only that skyscraper waterslide and the rollicking ride in a cable car (while a typhoon brewed offshore) that dampened my enthusiasm.

I liked chasing turtles in the fishpond at Kowloon Park. I liked barreling up the stairs of the double-decker buses to get the best seats. I liked counting the fancy cars that pulled up in front of the big hotels. But mostly I liked turning around on a busy sidewalk and seeing that my children were still there.

FOR a single mother whose duty was to keep two curious children in tow while wending our way through a city of 6 million people, Hong Kong was as manageable as an art museum on a sunny day. Although one of the world's most densely populated areas, it is so neat and orderly that were it not for the tropical vegetation and the hot, humid air, I might have been persuaded that we were in Switzerland.

This was most obvious when we rode the subway, or Mass Transit Railway. My children had no previous experience with subways, but I was prepared for a shoving match while boarding and a rude expulsion at our destination. I chided myself for not taking along a couple of those child leashes, just to make sure that if the kids were whisked off to the wrong train, I'd be right behind.

Instead we found neat rows of yellow lines painted at right angles to the edges of the platform. Every few rows there were wider spaces with painted exit arrows. The people awaiting a train lined up single-file in their rows. After the train arrived, they continued standing patiently in the rows until those disembarking had followed the exit arrows off the train. Only then did they move forward, still in lines, to board.



Ray Casbourne/Black Star for The New York Times
A bird-lover giving his pets some fresh air in Victoria Park.

On the subway and on the street, there was no shoving, pushing or even staring. The courtesy of the people allowed me to relax my usual vigilance and enjoy a pleasant vacation with my family. In truth, the only time I was startled on the streets was when a chorus of cellular phones rang from the pockets of passing pedestrians. We could have spent our entire week just riding public transport, and my children would never have been bored. There is much to choose from — ferries, sampans, trains, trams and buses.

Much more reasonable than the rickshaw drivers' fee is the price of a ferryboat ride. For 1 Hong Kong dollar, about 15 cents, or another cent for first class, we got a glorious, eight-minute ride across the busy harbor that separates Hong Kong Island from the Kowloon Peninsula.

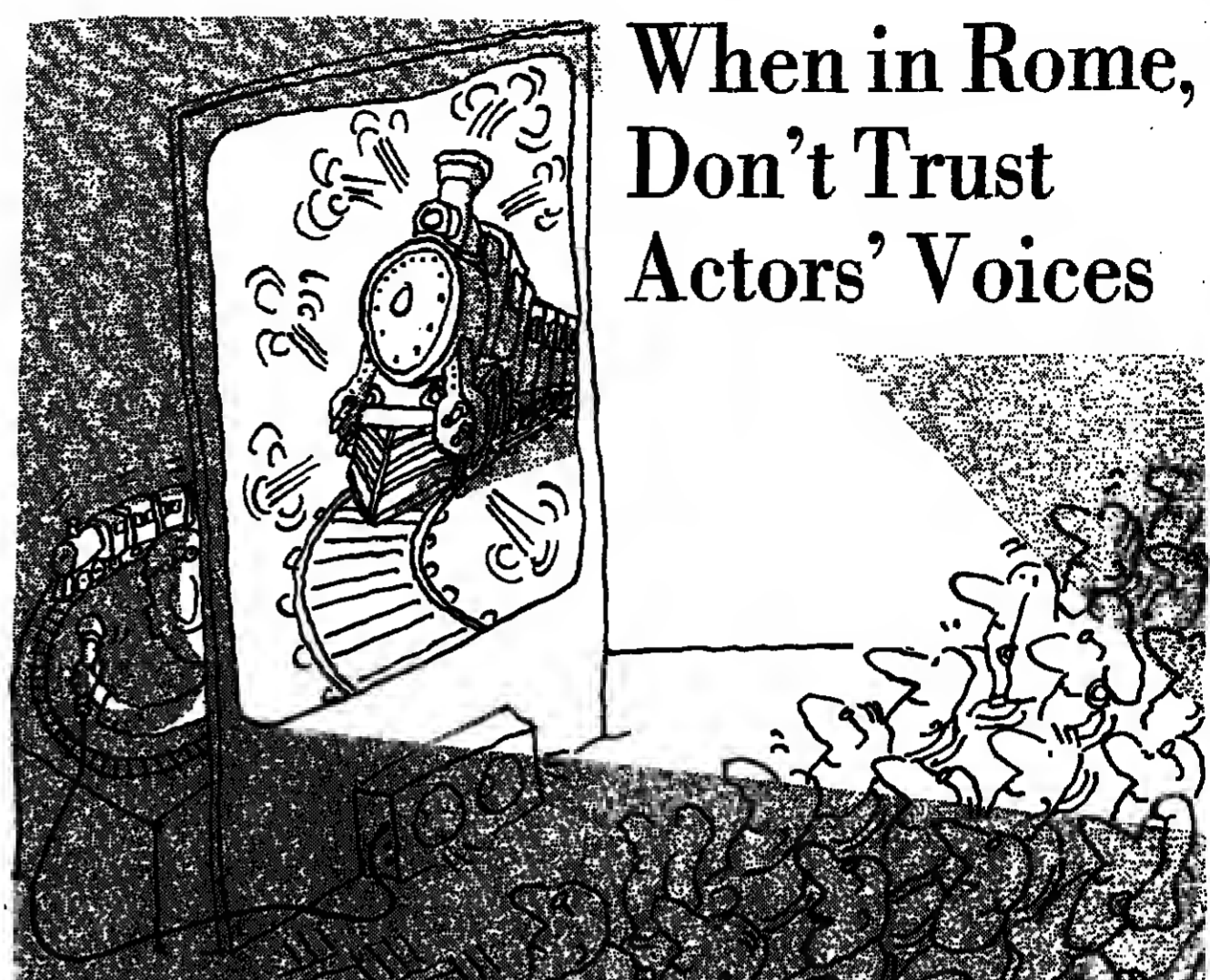
We combined ferry, bus, funicular railway and subway for a full day of exploring Victoria Peak and the nearby Zoological and Botanical Gardens. Outside the ferry terminal on Hong Kong Island we boarded a bus traveling to the top of Victoria Peak, Hong Kong's highest point, and the location of some of the most luxurious homes in the colony.

As the bus labored up the steep hill, passengers' heads craned when we passed the palatial home of the luckiest man in Hong Kong. He not only enjoys a view of the harbor from Victoria Peak but also has a Rolls-Royce and a license plate with number 8's all in a row. To the superstitious Chinese, 8 is the luckiest number. Apparently he was rich enough to outbid all the other car owners who wanted the plate.

THE number 8 worked in my children's favor, too. One day I insisted that they try Chinese food, which they had managed to avoid by ducking into the closest McDonald's or Pizza Hut whenever mealtime drew near. But that particular date, on the Chinese calendar, was loaded with 8's, so it was considered a lucky day to get married. Lucky for my kids, every Chinese restaurant we visited was fully booked with wedding parties.

I confess that going to Hong Kong was totally my idea. I wanted to see the place before 1997, when this British territory will revert to Chinese rule. The kids weren't so sure that being a part of history was such a hot vacation idea. Furthermore, they were convinced that this was just another plot to trick them into eating strange food.

Susan G. Hauser, who lives in Portland, Oregon, wrote this for The New York Times.



When in Rome, Don't Trust Actors' Voices

By Roderick Conway Morris

ROME — To dub or not to dub has never been the question in Italy — or not until now. For decades every foreign film entering the country has been dubbed into Italian, with subtitled versions appearing on cinema and television screens only once in a blue moon. Less well known is the fact that Italian filmmakers also have habitually dubbed on the entire Italian soundtrack after shooting has been completed — frequently using voices other than those of the actors on screen. (Even a star like Claudia Cardinale, for example, in the Italian version of Visconti's "The Leopard," is not, as it were, herself when it comes to the soundtrack.)

The original insistence on dubbing all foreign films may date back to Mussolini's chauvinist nationalism, but why were post-war Italian directors so devoted to dubbing the local product?

"One factor was the nature of equipment they were using," said Stephen Natanson, a young director and graduate of the Centro Sperimentale di Cinematografia, Cinecittà's film school. "A lot of it was basically war surplus, and most cameras were so noisy it was impossible to record live sound."

So, whereas many a Hollywood star of the silent era came a cropper with the advent of the talkies — as swashbuckling macho heroes turned out to speak in piping trebles and vampish femmes fatales to have voices like dentists' drills — Italian directors could merely go on casting on appearance alone.

Knowing that the voice could be replaced, often by stage actors judged too old or insufficiently attractive for the screen, directors could afford to adopt the attitude: "She's got a beautiful body, even if she doesn't know how to talk, how to perform with her voice," said Paolo Biondo, the general manager of International Recording in central Rome, Italy's busiest dubbing and post-production studio, which handles around 120 foreign and 30 Italian films annually (out of a total of about 350 shown in the peninsula's cinemas).

RELIANCE on post-production sound was given an additional push, said Biondo, by the arrival of the phenomenon of international co-production, where actors from half a dozen countries might end up speaking their own languages on the set, to be dubbed afterward into the languages of the various countries where the film was to be released.

"In the 1960s and '70s," Biondo said, "which were the 'swinging years' of Italian production — of Fellini, Visconti and others — I would say that a hundred per cent of the pictures were completely re-voiced afterwards."

Of what Biondo called the "dubbing countries" (that is, France, Germany, Italy and Spain), Italy has, he said, by far the biggest industry with something like 1,200 dubbers. Dubbing a foreign-language work, from casting the "voices" to finished print, takes four to six weeks and costs an average of \$50,000.

Professional dubbers, many of whom are the children of dubbers and who, unlike their colleagues in other countries, seldom do any other acting work, make big money. An in-demand dubber can easily make \$200,000 a year, and one like Ferruccio Amendola, who "voices" Al Pacino, Dustin Hoffman, Sylvester Stallone and Robert de Niro, is reckoned to earn some \$4 million.

"Dubbing," said Stephen Natanson, "has become the most important part of the film industry in Italy. It's become the motor that's running it."

Yet the dubbing juggernaut, after years of trundling inexorably on its way, is now being seriously challenged.

"It's become fashionable," Natanson said, "for younger directors to say they're going to shoot live sound — though there is the problem that Italian film crews don't know how to keep quiet on the set and are in the habit of talking during takes."

Biondo agreed that the new generation was turning away from the old system. "A director like Fellini wouldn't choose production sound even if he had the best possibilities to get it. That's not his art. He likes to change things, to put words into people's mouths without them even saying them. He doesn't even want the actors to know what they're going to say next. Whereas a film like Gabriele Salvatores' "Mediterraneo" (which won an Oscar for best foreign film) was substantially shot with live sound."

At the same time there is evidence of a subtle shift toward the Anglo-American assumption that what you hear ought to be what you see. Gina Lollobrigida caused a rumpus when she alleged that Francesca Dellera, her voluptuous co-star in a television version of Moravia's "La Romana," had been dubbed by another actress. And the recent revelation that the outside scenes in the last films of Totò (Italy's Charlie Chaplin) had been dubbed by an anonymous substitute — not because the actor's voice had deteriorated but because his eyesight became so poor he could no longer follow his own lips on the dubbing screen — was a main news story here.

Whereas a few years ago it was virtually impossible to find a cinema showing foreign films with the original soundtrack and subtitles, an increasing number have been taking the plunge. The Nuovo Sacher in Rome's Trastevere district, previously a distinctly run-down establishment, has been tastefully refurbished with a bar, potted palms and plush seats, and has been attracting respectable numbers of cinema-goers to watch subtitled versions of films such as Alexandre Rockwell's "In the Soup" and Orson Welles' reissued "Othello." The Alcazar, and others, have also been joining in the experiment. Meanwhile, in Milan, the Anteo, Arcobaleno and Mexico are showing original versions at least one night a week.

Despite the prevailing wisdom that Italian mass audiences will never accept subtitles, even the highly commercial end of the market is making moves in that direction. Media mogul Silvio Berlusconi's empire includes production and distribution companies, and with nearly 200 screens owned directly or for which it does the programming, Berlusconi's Cinema 5 chain is by far Italy's largest.

"I myself," said Sandro Pierotti, Cinema 5's managing director, "much prefer to see films in the original version." The chain's new multiscreen Maestros cinema in Rome, which opened in September, is already showing subtitled films. Also, said Pierotti, a new, super-plush multi-screen at their Odéon cinema in Milan will be inaugurated just before Christmas, and will be used exclusively to show original versions.

"If I can prove it can be done successfully in Rome and Milan, then obviously we'll extend it to other places," he said.

Pierotti said that he had recently been to Portugal, where he was immediately struck by how many more people spoke English and how much better than in Italy. One of the main reasons for this, as he saw it, was that films were shown there in original versions.

STATE television still puts out a parsimonious original version mid-night movie a week (Sundays, on RAI 3). Since April Tele+, a pay-TV movie channel, has been offering the option on half a dozen films a month of switching from the dubbed to the original version — with the avowed aim of both giving a more authentic experience and attracting language learners. An English language version with English subtitles is also available.

"If television goes for subtitles," said Paolo Biondo, in his office at International Recording, "the film industry will probably go into subtitles too."

With dubbing costing only a fifth to a tenth of dubbing and young Italian directors abandoning the practice, Italy's dubbers may yet find the previously invincible fortress of their monopoly crumbling beneath their feet.

Roderick Conway Morris lives in Italy and writes for The New York Times and The Spectator.

THE MOVIE GUIDE

Le Petit Prince a Dit
Directed by Christine Pascal. France.
Violette (Marie Kleiber), a 10-year-old butterfly, is bounced back and forth between her doctor father (Richard Berry) and actress mother (Anémone) who live separate lives. When a brain scan reveals a malignant tumor the panicked father escapes with Violette across Switzerland to Italy, ending up in a vacation home in Provence where they reunite with the mother. The escapee turns into a surprising kind of honey-moon; the reunion is everything a child could hope for, in fact, it could be a wish fulfillment fantasy.

The director is interested in examining the seductive relationship between father and daughter; she takes pains to keep the drama from sliding into bathos. But once you know the terrible diagnosis and prognosis, which is very early, the script fails: beautiful scenery and fine acting don't make up for lack of content and direction. (Joan Dupont, IHT)

Forever Young
Directed by Steve Miner. U.S.
Mel Gibson plays a pre-War II test pilot who, accidentally defrosted after spending more than half a century in a cryogenic capsule, learns about life and love in 1992. When first seen in 1939, Daniel McCormick (Gibson) seems to have the world in the palm of his hand. He's not only at the top of his class as a flier, but he's also in love with and loved by an ideal woman, Helen (Isabel Glasser), a successful magazine photographer. When Helen is run over in the street and declared brain dead, the distraught Daniel volunteers to be the first human guinea pig in a cryogenic experiment. He's forgotten until two small boys of the 1990s come upon his abandoned but still icy crypt. Gibson makes this film far easier to sit through than it has any right to be. (Vincent Canby, NYT)

A Few Good Men
Directed by Rob Reiner. U.S.
An energetic adaptation of the Broadway play, this riveting court-martial drama looks at the eternal conflict between a civilization and the barbarity inherent in its defense. Essentially it is "The Caine Mutiny" in drydock with Jack Nicholson and Tom Cruise going macho à macho. Nicholson, as the fanatical CO at Guantanamo Bay, Cuba, orders his officers to



Mel Gibson and Elijah Wood in "Forever Young," top; scene from "Le Petit Prince a Dit," left; Tom Cruise in "A Few Good Men."

bring a platoon troublemaker into line through a severe and unannounced form of hazing known as a "Code Red." When the man dies during the incident, two young Marines are charged with his murder and flown to Washington to stand trial in an attempt to dispense with the affair quickly. The Navy assigns a callow officer (Cruise) with a reputation for plea-bargaining to defend the pair. All of this is about as understated as a 21-gun salute. It's a grand undertaking that wrangles with the heavy questions that cropped up at Nuremberg and My Lai, questions that deserve and get lots of imposing shots of monuments and not a little swashbuckling from the big stars.

Christmas Carol
Directed by Brian Henson. U.S.
Michael Caine and those talking harlequins, the Muppets, join together for a needless but apparently unavoidable retelling of Charles (Chuck) Dickens's holiday classic (you know the one I mean). "The Muppet Christmas Carol," a sadly dull and unimaginative outing, finds the hand-held neo-Dickensians attempting performances opposite the Scroogey Caine, who does indeed look spooked to find himself in a scene with 14 rat puppets and a felt frog who recently took up method acting. Neither drama nor comedy, this is all safe stuff, and most un-Muppetlike. So much for great expectations. (Rita Kempley, WP)

Cards: To Send or Not to Send

By Enid Nemy
New York Times Service

NEW YORK — Breathes there a soul who hasn't at one time or another thought — for just a second or two — how nice it would be not to have to deal with Christmas cards? But fleeting thoughts and occasional action hardly count.

Despite the increasing costs of cards and postage, the fact is that holiday greetings still flood post offices every year. Untold hours are spent choosing, signing and addressing them, and a lot of midnight oil is burned by men and women creating original and highly personalized greetings. A completely unscientific survey seems to indicate that an increasing number of people each year make the momentous decision to stop sending cards, but the number is still minimal.

Nevertheless, the men and women who have decided to flout tradition take some pride in their decision and almost never back down. "I love the idea of Christmas in the sense of family and friends, but it's lost its sincerity," said Merle Debuskey, a Christmas-card rebel and theatrical press agent in Manhattan. "It's become a merchandising scheme. I try to maintain contact with the people I'm interested in, throughout the year."

Robert Shanks, a television producer and writer in Manhattan, said: "I stopped about 15 years ago because I hated the hypocrisy of it. It's one of those pro-forma things that people do. I might drop a line to older family members, but not a card."

But statistics released by the Greeting Card Association in Washington show little change in the number of Christmas cards sold annually in the United States over the last five years. The figure hovers between 2.1



billion and 2.3 billion. There are no figures available for other types of holiday cards.

Some people send Christmas cassettes or videos, with a message or featuring a seasonal song or poem.

Cards printed on recycled paper and those that benefit a specific organization are becoming more popular every year. Card buyers will very often make an additional contribution to the organization.

"We always use some charity card," said Mary Loving, a partner in Loving & Weintraub, a Manhattan public relations firm that has used cards that benefit Unicef, Gay Men's Health Crisis and the Pediatric AIDS Foundation, among other groups. The cards go to those on the firm's business list and, in most cases, to people on employees' personal lists.

In the category of humorous cards, it would probably be hard to count the annual greeting sent to 1,700 family members, friends, and business and charity-committee colleagues by Bonnie and John Swearingen of Chicago.

Swearingen is the former chairman of Standard Oil of Indiana. One year, the couple appeared on cards dressed as Scarlett and Rhett O'Swearingen. Cards in other years have shown Mrs. Swearingen riding an elephant in a snow scene (which involved a good deal of photographic legwork) and posed in a hot-air balloon. This year, the two of them, she in feathered headdress and he with beaded forehead band, are Chief Puff Puff and Princess Moonbeam.

Their cards, imprinted with their names, are generally addressed by a secretary and not individually signed.

Letitia Baldrige, the etiquette expert and author of "Letitia Baldrige's Complete Guide to the New Manners for the '90s," generally disapproves of cards with only a printed signature.

"You've got to personalize them," she said. "If the names are printed, a line should be drawn through and the cards signed by hand — but there really should be something written as well, even if it's only 'Cheers' or 'Merry, Merry.'"

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Investment Opportunities in Pakistan

A Welcome Is Waiting for International Entrepreneurs

A new economic order launched in Pakistan two-and-a-half years ago has opened up vast opportunities for investment in the industrial, commercial and service sectors.

The policy introduced by the government of Prime Minister Muhammad Nawaz Sharif is based on the three pillars of deregulation, liberalization and privatization.

This means that investment openings in Pakistan are almost limitless. There is a heavy demand within the country for everything from consumer goods for daily use to sophisticated engineering and electronic equipment. And Pakistan is well placed for the export of goods to other parts of Asia: The affluent Persian Gulf countries are just around the corner, and landlocked central Asia is now opening up.

The safety of foreign investment is protected by law, and experience has proved that investment will earn good returns. Pakistan is regarded as a land of opportunities by entrepreneurs.

Prime Minister Nawaz Sharif recently said that by international standards Pakistan was in the forefront in terms of speed and scope of economic reforms. He added, "I would not mind pushing for even faster implementation. Our people have waited too long for the fulfillment of their dream of a progressive and prosperous Pakistan."

The prime minister added, "The only constraint is speed, rather than resistance to reforms. The speed is constrained by our private sector's ability to respond."

Pakistan is a Western-style democratic federation of four provinces with a bicameral parliament and an elected government. The ruling party has a two-thirds majority in the central government in Islamabad, the

national capital, and heads all the provincial governments. Pakistan has a track record of steady economic development over the past 30 years.

Foreign investors should be encouraged by the fact that 200 multinationals and 18 foreign banks with 68 branches are operating in the country. Pakistan has agreements on the avoidance of double taxation with 34 countries and bilateral investment treaties with eight.

Among the legal protections investors enjoy is the freedom to bring, hold, use or take out foreign currency. Unrestricted import of raw materials, plant and equipment is allowed, and there are concessions possible on taxes and duties.

Evidence of foreign investors' confidence is given by the figures: Foreign direct investment jumped from around \$200 million in recent years to \$343 million in 1991-92. Foreign portfolio investment has escalated to \$219 million from less than 10 million in recent years.

The Pakistan government has recognized the importance of providing a modern communication infrastructure and has launched an ambitious but realistic program to improve, modernize and expand its communication networks.

This involves building new highways and upgrading existing roads to international standards. An investment of 100 billion rupees (about \$3 billion) is being made, with special attention being paid to the need to link centers of production to markets and ports. Earlier this year, the prime minister inaugurated

the construction of the Pakistan Motorway, the country's first expressway.

The government has also decided to set up industrial estates at or near the interchanges of the highway. These will offer the special incentives already proposed for the industrial zone at Port Qasim, near Karachi.

Big strides have also been made toward the modernization and expansion of the telecommunication structure. The pace of development in the telecommunication network is unmatched by any other country in the region.

Government and private investment in this sector in the year ending in June 1993 will total about 20 billion rupees. Multinationals will be installing 500,000 new telephone lines in the country, and Pak Telecom will install 300,000 lines.

Alcatel of France, in collaboration with the Aga Khan Fund for Economic Development, has set up a manufacturing facility in Islamabad that will produce modern

18 foreign banks have 68 branches

telephone exchanges. Siemens of Germany has two manufacturing facilities.

Three cellular mobile telephone companies have been set up, largely with investments from abroad. Card pay phones are being installed by the private sector.

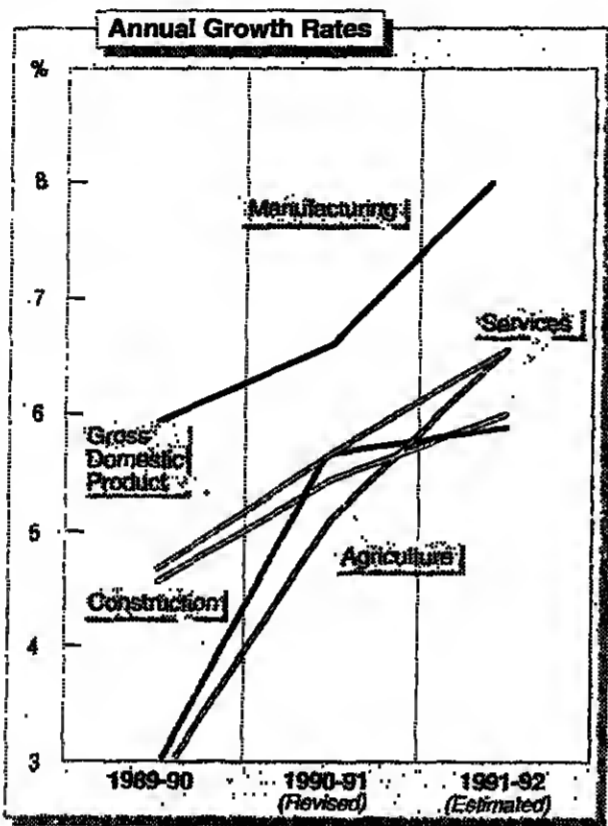
In a rapid modernization program, old systems are being replaced by state-of-the-art technology. Several digital exchanges are now in operation. The laying of an fiber-optic cable between Karachi and Islamabad has been completed. The telex network has been digitalized and is being expanded. Facilities for high-speed data transmission are also available.

Quick and efficient postal services reach every corner of the country and provide many facilities, including banking, insurance and courier services. Many private courier services are in operation.

Port facilities are also going through a major modernization program. Berthing facilities at Port Qasim and Karachi Port will be expanded, and there are plans to build modern terminals for oil, grain and containers. A new port at Gwadar, near the Strait of Hormuz, will be developed to accommodate vessels of up to 50,000 tons. The private sector is being invited to participate.

An area of 12,000 acres has been reserved at Port Qasim for the establishment of a Maritime Industrial and Commercial Zone on the pattern of European ports. In this zone, raw materials will be imported, processed, manufactured and re-exported without being subject to customs duties or procedures.

The investment climate has been described as "encouraging, welcoming and rewarding" and investors will have all the cooperation they need from the government.



Sustained Growth Is Reported From All Economic Fronts

Since Pakistan's new government came to power in November 1990, it has introduced ambitious and far-reaching reforms. Growth has since been recorded in gross domestic product, investment, exports, stock-exchange activity and foreign-exchange reserves.

In spite of a slowdown in the world economy and special difficulties arising from the Gulf War, the GDP growth rate in 1991-92 is officially estimated at 6.4 percent, compared with 5.6 percent in the previous year.

Agriculture also grew by an estimated 6.4 percent during the same period, mainly due to a dramatic increase in the production of raw cotton, up by 35 percent over the previous year.

The growth rate in the manufacturing sector was 7.7 percent, the most pronounced increase being in soda ash (24 percent), sugar (21.1 percent), cotton yarn (9.8 percent), caustic soda (8.7 percent) and cement (7.4 percent). The production of gas increased by 5.4 percent, and installed electricity generation capacity was up 5 percent.

Total investment in 1991-92 increased by 17.6 percent, with private investment (24.8 percent) growing faster than pub-

lic-sector investment (10.1 percent), reflecting a positive response to government policies. Private sector investment rose by 48 percent in the last two years.

On the stock market,

Target for 1992-93: further reduction in inflation

the general index of share prices recorded an increase of 96.7 percent, compared with 36.7 percent during 1990-91. Total transaction of shares during the year was 482,602 million rupees, compared with 115,655 million rupees during the previous year, an increase of 317.3 percent.

The budget was under strain, mainly because of the decline in raw cotton prices and the increase in prices of petroleum products, but the government was able to reduce the fiscal deficit from 8.8 percent of GDP in 1990-91 to 6.9 percent in 1991-92.

Exports increased by 11.2 percent, mainly in rice, raw cotton, cotton fabrics, ready-made garments, synthetic textiles, leather products and ho-

siery. Exports in the year earlier had increased by

23.7 percent. These figures for 1990-91 and 1991-92 compare with increases of 6.2 percent and 6.3 percent in the two preceding years.

Imports in 1991-92 were up 20 percent, a positive feature being a 56 percent increase in machinery imports, which reflects increased investment.

In addition to these quantitative improvements, the policies and reforms of the government have brought about "a qualitative change in the economy." The following changes have resulted:

- The economy is more open and deregulated, inducing private entre-

preneurs to enhance investment and make more efficient use of resources.

- Exchange and payments reforms have resulted in greater and easier flow of foreign currency.

- Maximum level custom tariff has been brought down to 90 percent with a view to ensuring more efficient use of resources. The import surcharge of 10 percent has been abolished.

- Additional productive job opportunities have been provided.

- Monetary policy has been liberalized and financial regulations reshaped. Besides the privatization of two banks, a number of private commercial and investment banks and financial institutions have been launched.

- The privatization process is in full swing: over 50 industrial units have been privatized, and the rest are to be privatized by the end of the year. New areas like power, telecommunications, roads, port operations and shipping

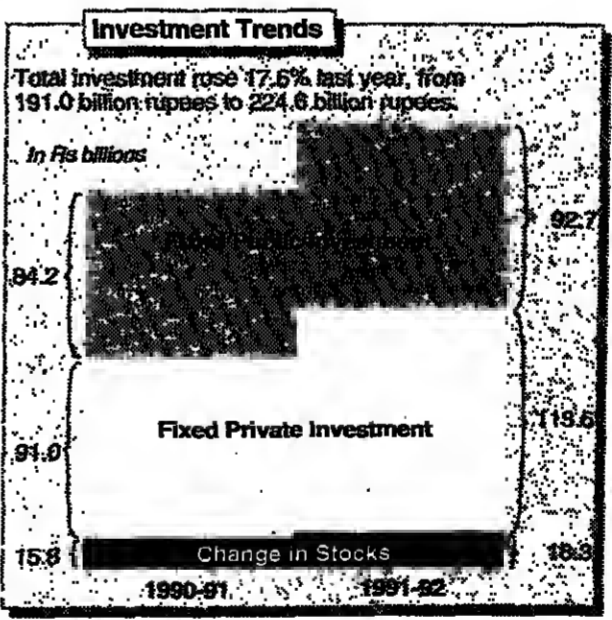
have been opened to the private sector.

Economic targets for 1992-93 include a GDP growth of 6.2 percent, an increase in exports by 15 percent, an increase in imports by only 7.45 percent, a reduction in the overall fiscal deficit from 6.9 percent of GDP to less than 5 percent and a reduction in inflation from 9.6 percent in 1991-92 to less than 8 percent.

Development of physi-

cal and social infrastructure will be speeded up. A three-year "Social Action Program" costing 53 billion rupees has been launched with an emphasis on primary education, basic health, population planning and sanitation.

The government is continuing its efforts to improve the law and order situation and to create an atmosphere more conducive to greater investment and productivity.



Privatization Program: Speed Has Been Spectacular

The policy of privatization has been officially described as a "cornerstone" of the government's economic plans.

The emphasis is on opening up the economy and unleashing private initiative to play a fuller role in accelerating growth and improving economic performance.

The reduction in the overextended reach of the public sector is intended to give it a sharper focus, facilitating concentration on its primary functions — providing physical and social infrastructure, ensuring a level play-

22 new shipping companies licensed

ing field for economic activity and balancing economic and social development.

The idea is to open to the private sector what had been exclusive preserves of the public sector, including power generation, airlines, ports, shipping, highways and telecommunications.

Banking and industrial ventures were the first preservers to be tackled. The policy was to divest the banks nationalized in 1974, set up new commercial banks in the private sector (10 units have already been sanctioned), provide for the liberalization and market orientation of the financial sector and privatize 115 industrial ventures.

The policy is intended to reverse the large-scale nationalization that had taken place in the 1970s. To implement the new policy, a Privatization Commission was established in January 1991 to invite bids for selected units, have them evaluated by independent consultants and submit reports to a cabinet committee.

The methods being used for privatization include:

- Sale of state-owned enterprises by inviting bids from the private sector.
- Sale of shares through the stock exchange at a price determined through an evaluation process.
- Encouraging employees to constitute employee management groups and negotiating share prices with them.
- Encouraging prospective investment managers to form companies and buy shares or undertake leasing agreements.

The speed and scale of privatization has been described as "spectacular." The privatization of the Muslim Commercial Bank sent it off to a flying start. The process was completed in just over three months. The sale price was 56 rupees a share, against a reserve price of 35 rupees.

Allied Bank of Pakistan was sold to its employees at 70 rupees a share. The performance of these banks since their divestiture has been outstanding.

The government also advertised the remaining banks and financial institutions — Habib Bank Ltd., United Bank Ltd., National Development Finance Corp. and Industrial Development Finance Corp.

The Telegraph and Telephone Department has been

converted into the Pakistan Telecommunications Corp., and proposals to privatize it are under consideration. It is a profitable enterprise with an assured and growing market. A sale price of over \$6 billion is expected.

Power-generation units operated by the Water and Power Development Authority are also up for sale. In view of the large size of utilities and the need to attract foreign capital, their privatization has been handled on a different basis from banks and industrial units, with more time being devoted to the preparatory phase.

The achievements of the privatization program so far include revenue of 3.6 billion rupees raised from the sale of companies whose activities include automobiles, cement, engineering goods, chemicals and pharmaceuticals.

One of the biggest local public utilities, Sui Northern Gas Pipelines, has been partially privatized through the sale of some of its shares — worth 2 billion rupees — on the stock exchanges. The public-sector monopoly on shipping has been broken: 22 new shipping companies have recently been licensed.

On domestic air routes for passengers and freight, private companies are to be allowed to compete with the public Pakistan International Airlines.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department and was sponsored by the Pakistan Investment Board.



"I would like to get the government out of the business of running factories, businesses of all kinds, even airlines. I want to move it towards a free market economy," says Prime Minister Nawaz Sharif.

PIB: An Investment Promotion Agency

The Pakistan Investment Board is an investment promotion agency under the direct administrative control of the prime minister. The government is of the firm view that acceleration in the pace of investment is the key factor in the development of the economy and the improvement of the standard of living.

The Pakistan Investment Board provides "one-stop" services. This means that the board will be the focal point of contact for investors, who will no longer have to contact other government agencies, departments or ministries.

PIB will always be happy to provide assistance to potential investors. It can be contacted at the following address:

Pakistan Investment Board, Government of Pakistan, Pakistan Secretariat, Block A, Rooms 108 & 109, 1st Floor, Islamabad, Pakistan. Tel: 92-51-211870 Fax: 92-51-215554

Foreign Input Essential to Growth

Economic thinking in Pakistan has come to recognize that foreign direct investment is an essential element in the government's efforts to lead the country to growth and prosperity.

A gap became apparent in the 1980s between the large and increasing demand for investment, on the one hand, and the low level of domestic savings and the shrinkage in official development assistance on the other.

Before 1989, foreign investment flows remained confined to a few extractive industries like oil and gas, the franchising of brand names and the manufacture of pharmaceuticals.

The increase in inflow was 54 percent in 1990-91, when the dramatic effect of the prime minister's reforms was beginning to take root.

For foreign investors, the reforms with the most immediate effect were the dismantling of regulatory controls so that foreigners can now own 100 percent of equity in a company, the easing of restrictions on the repatriation of capital and profits, and the reduction in the amount of bureaucratic red tape, notably through the establishment of the Pakistan Investment Board as a first port of call for would-be investors.

The government has also earmarked 12 special economic zones with a number of investment incentives. A 200-hectare (500-acre) zone at Port Qasim has been leased by Daewoo of South Korea at \$12 per square meter, and another 90 hectares have been acquired in a zone near Karachi by a domestic company, the Schon Group, which is planning to set up a joint venture oil

refinery with an American partner. Japan's Suzuki Motor Company, which had helped to set up a public-sector car factory in Pakistan in the early 1980s, acquired a 41 percent equity stake in the company in September of this year. Another plant is planned to start exporting to Central Asia.

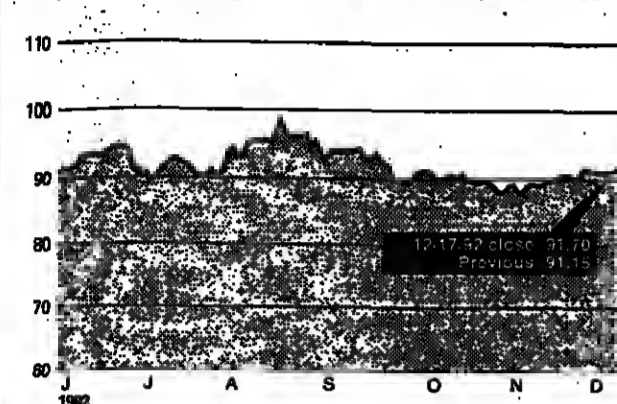
The importance of Pakistan's geographical proximity to Central Asia is emphasized by other developments. In Kazakhstan, Pakistan has opened a branch of one of its privatized banks to support counter trade. It now has an agreement with Tajikistan to purchase surplus Tajik hydroelectric power. Uzbekistan grows long staple cotton, and some Pakistan manufacturers are experimenting with this fiber. Pakistan is seeking ways of attracting foreign investment to develop the cotton and textile sectors in conjunction with Central Asian countries.

The need to attract foreign investment has been the stimulus for a major road-building program and other efforts to improve Pakistan's infrastructure. It has also led to a change in basic economic philosophy.

Foreign investment is now recognized as a spur to efficiency and an essential source of funds for necessary economic growth.

THE TRIB INDEX: 91.70

International Herald Tribune World Stock Index... composed of 230 internationally investable stocks from 20 countries...



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia... The index is composed of the 20 top issues in terms of market capitalization...

Table with 3 columns: Asia/Pacific, Europe, N. America. Rows include Pric. and % change for various indices.

Table with 3 columns: Energy, Utilities, Finance, Services. Rows include Pric. and % change for various sectors.

For readers desiring more information about the International Herald Tribune World Stock Index...

France Will Act To Spur Economy, Defend the Franc

PARIS — France's banks and insurance companies got small Christmas gifts Thursday from the government...

Prime Minister Pierre Bérégovoy promised action to stimulate the economy next year... Mr. Bérégovoy rejected the idea of devaluing or floating the franc...

The Bundesbank warned Thursday that inflationary pressures remain in Germany... Mr. Bérégovoy said he would move in early 1993 to bring relief to the French economy...

BA Wins 25% Stake in Qantas

By Erik Ipsen International Herald Tribune

LONDON — The acquisitive British Airways took a step Thursday toward its goal of offering seamless service around the globe...

Qantas At a Glance

Table with 2 columns: Inter-Asian routes (from Sydney) and Trans-Pacific routes (New Zealand). Lists destinations like Beijing, Seoul, Taipei, etc.

"Qantas is a bit of a sideshow compared with USAir," said Matthew Stainer...

[Prime Minister John Major will meet with President George Bush this weekend at Camp David... USAir delayed a stockholder meeting originally set for Friday until Dec. 24...

"If you have the cash to spend — and very few airlines do — this is the time to go shopping," said John Bingham...

cently. In recent months BA has purchased Dan-Air of Britain, a 49.5 percent stake in TAT of France...

summer and to the United States and Asia within a few years. Now there is Qantas, which is still sorting out its September acquisition of Australian Airlines...

Lufthansa Cuts Some Fares by 30%

By Brandon Mitchener International Herald Tribune

FRANKFURT — Deutsche Lufthansa AG said Thursday it would slash airfares on some European routes by up to 30 percent on Jan. 1...

Fares among most European destinations currently are tightly regulated, with governments prescribing maximum and minimum prices...

economic, streamlined division of the airline's German domestic passenger division. After the beginning of next year, Lufthansa will no longer be protected from fare competition...

Lufthansa Chairman Jürgen Weber recently said he expected the airline would have a pretax loss but said it would be well under the loss of 444 DM in 1991.

WALL STREET WATCH

Bond Conversion Deal Displays Buffett's Wiles

By Floyd Norris New York Times Service

NEW YORK — Warren E. Buffett has an unusual offer for holders of convertible bonds in Berkshire Hathaway... The offer, made Wednesday in the form of a call of the bonds...



U.S. Trade Improvement Is Called Unlikely to Last

By Lawrence Malkin International Herald Tribune

NEW YORK — The U.S. trade deficit took a sudden dive to \$7.03 billion in October in a direction that looks nice but is widely believed to be unsustainable...

This year's trade deficit is already running at an annual rate of \$81.3 billion, higher than last year's deficit of \$65.4 billion. In addition, Japan's stubborn trade surplus with the United States is unlikely to improve...

Delta Takes a Knife to Salaries, Dividend

Compiled by Our Staff From Dispatches

ATLANTA — Delta Air Lines, awash in losses, on Thursday moved to cut salaries, capital expenditure and its dividend in an effort to restore profitability...

capital expenditures for facilities and ground equipment by \$600 million. In addition, it is negotiating for the deferral of other aircraft deliveries worth \$400 million...

1994, buoyed by a general industry recovery and eventual profits on the new European routes and a reduced cost structure.

with no apparent improvements in the outside factors that affect the company, it is necessary to implement additional reductions.

CURRENCY & INTEREST RATES

Large table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Forward Rates. Includes data for various currencies and interest rates.

U.S. Job Slashing Imperils Recovery

By Steve Lohr New York Times Service

NEW YORK — The U.S. economy may be expanding modestly, even adding some jobs at last, but big companies are continuing to cut — a trend that promises to keep the pace of recovery slow.

International Business Machines Corp., for instance, announced plans to cut 25,000 jobs next year. General Motors Corp. recently identified nine plants it will close over three years to eliminate 18,000 jobs.

BREITLING 1884 INSTRUMENTS FOR PROFESSIONALS

Advertisement for Breitling watches featuring a large image of a watch and text describing the brand and its instruments.

MARKET DIARY

Stable IBM Helps Wall Street Rally

NEW YORK — Wall Street stocks rallied Thursday, drawing encouragement from gains in IBM and Philip Morris Cos. and a rally in over-the-counter issues.

The Dow Jones industrial average rose 14.05 points, to 3,269.23. The Dow transportation average, led by the major airlines, soared 32.24 points, to 1,430.47.

There are a lot of holes in this market, but stocks such as IBM seem to have stopped going down for the moment, said John Blair, head trader at County NatWest Securities.

Rising stocks outnumbered decliners by a 9.5 ratio on the New York Stock Exchange, where volume rose to about 248.59 million shares from 241.91 million on Wednesday.

Tucson Electric Power paced the Big Board activity, unchanged at 2. IBM followed, rebounding 1 1/2 to 3 3/4 after a two-day sell-off that took its stock to an 11-year low on Wednesday. The big drop stemmed

from the company's announcement it would take a \$6 billion charge against fourth-quarter earnings to eliminate about 25,000 jobs and consolidate manufacturing.

Hayes Wheels International Inc. was third, closing at 19 1/2 on its first day of trading. A 8.2-million-share offering of the maker of car and light truck wheels was priced at \$19 a share.

Philip Morris rose 1/2 to 76 1/2. Several analysts repeated buy recommendations on the stock. Shares of Philip Morris were lower in recent sessions amid concerns about the company's earnings outlook.

Among airlines, British Airways climbed 1 1/2 to 45 after the Australian government said it was selling a 25-percent stake in state-owned carrier Qantas Airways Ltd. to the British carrier.

Intel, which paced the OTC activity, gained 3 to 86 1/2 after a rating upgrade from Alex. Brown & Sons. Its stock rose sharply Wednesday after saying it expected to report better-than-expected fourth-quarter earnings.

Micro Devices rose 1 1/2 to 18 1/2, crossed 100 after a rating upgrade from Alex. Brown & Sons. Its stock rose sharply Wednesday after saying it expected to report better-than-expected fourth-quarter earnings.

Applied Materials surged 3 1/2 to 30 1/2. Applied Materials surged 3 1/2 to 30 1/2. Applied Materials surged 3 1/2 to 30 1/2. Applied Materials surged 3 1/2 to 30 1/2.

Dollar Bobs Around In Technical Trading

NEW YORK — The dollar was generally weaker Thursday in light trading that traders said was dominated by technical factors.

The dollar opened weaker against the mark as the German currency posted further gains against the French franc in European trading. But technical factors took over during U.S. trading hours.

The dollar opened in New York below support at 1.55 DM but bounced back from that level, posting resistance at 1.5605 DM. It slipped from there, however, to end marginally higher against the mark, at

1.5576 DM compared with 1.5571 DM at Wednesday's close.

The U.S. currency slipped to 1.175 Swiss francs from 1.1980 but inched above its 3.2500 French francs from 3.2320 francs.

The dollar slipped against the yen, to 122.83 yen from 122.980, and the pound gained to \$1.5795 from \$1.5750.

World Stock Markets

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and others. Columns include stock names, prices, and changes.

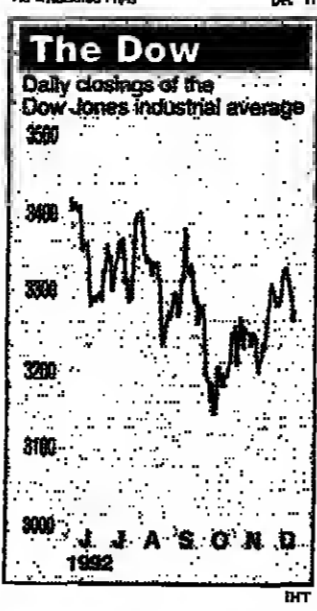


Table of NYSE Most Active stocks including IBM, AT&T, and others with columns for volume, high, low, and change.

Table of NYSE Daily activity including advanced, declined, and total issues with columns for volume and price.

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Table of NYSE Daily activity including advanced, declined, and total issues with columns for volume and price.

Table of Dow Jones Averages including Industrial, Transportation, Utilities, and Finance.

Table of Standard & Poor's Indexes including Industrials, Transportation, Utilities, and Finance.

Table of NYSE Indexes including Industrials, Transportation, Utilities, and Finance.

Table of ANEX Stock Index including High, Low, Close, and Change.

Table of Dow Jones Bond Averages including 20 Bonds, 10 Industrials, and 10 Government.

Table of Market Sales including NYSE, Amex, and NASDAQ with columns for volume and price.

Table of S&P 100 Index Options including Buy, Sell, and Total with columns for volume and price.

Table of S&P 100 Index Options including Buy, Sell, and Total with columns for volume and price.

EUROPEAN FUTURES

Table of European Futures including Food, Industrial, and Financial with columns for price and change.

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O&Y Makes Deal on Office Building

TORONTO (AFP) — Olympia & York, the troubled real estate giant, has reached an agreement in principle allowing a major creditor to take possession of the Aetna Centre, one of Toronto's most prestigious financial district buildings.

China Southern Orders Boeing 777s

SEATTLE (AP) — China Southern Airlines has ordered six of the new-generation Boeing 777 jetliners in a deal valued at \$800 million, Boeing Commercial Airplane Group said Thursday.

U.S. Thrifts Show Increase in Profits

WASHINGTON (Bloomberg) — U.S. savings and loan associations earned more than \$1 billion for the third consecutive quarter, as interest rate margins remained wide and troubled assets declined.

Kimberly-Clark Plans Restructuring

DALLAS (AP) — Kimberly-Clark Corp. said Thursday that it would streamline its European businesses, eliminating 800 jobs through layoffs and early retirement.

For the Record

President George Bush formally signed the North American Free Trade Agreement on Thursday as did Prime Minister Brian Mulroney of Canada and President Carlos Salinas de Gortari of Mexico.

Ecu Bond Shows Some Life

LONDON — The European Community sold 80 million European currency units (\$101 million) of bonds on Thursday and analysts said the sale showed there is life in the beleaguered Ecu market.

U.S. FUTURES

Table of U.S. Futures including Grains, Metals, and Financial with columns for price and change.

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Table of Market Guide including NYSE, Amex, and OTC with columns for volume and price.

Bundesbank Gets the Blues

Reuters
FRANKFURT — Germany's economic outlook has darkened recently, as growth slows in the West and an expected upturn in the depressed East of the country remains elusive, the Bundesbank said on Thursday.

In its December monthly report, the Bundesbank warned that inflationary pressures remained despite the slowdown, adding that this meant it would pursue its tight monetary policies.

These policies have come under fire at home and abroad because the German economy provides an anchor for the rest of Western Europe and high interest rates have prevented nations hit by recession from cutting their rates to spur recovery.

"The situation of the German economy has worsened considerably recently," the central bank said in the opening sentence of its report. "At the same time, the tendency toward rising prices has remained," it added.

The Bundesbank noted that West German economic growth had slowed in the third quarter from the second, while the anticipated upturn in the East was still not in sight.

In Bonn, Chancellor Helmut Kohl said Thursday that a "solidarity" pact between the government, opposition Social Democrats, industry and trade unions to boost

the economy in Eastern Germany would not be concluded this year. He said that he hoped to conclude the talks by the end of January. The government had earlier wanted to reach such a pact by Christmas.

The Bundesbank said there were some successful sectors in the East German economy, notably in the

'The situation of the German economy has worsened considerably recently.'

The opening of the Bundesbank's report.

service industry, but cautioned that weak exports and high wage rises were hampering economic development.

East German wages were now about 70 percent of those in the West and could rise to 80 percent next year. Lower productivity means unit wage costs in the East were higher than in the West.

The Bundesbank called for delays

in agreements for East German wages to match Western levels by 1994, adding that unemployment remained East Germany's biggest problem, although jobless figures had now dropped back from their highs.

In the West, the high wage rises of the last two years also represented a threat to corporate competitiveness and were hurting employment levels. Trade unions must now start to take greater account of general economic difficulties, the report said.

"Swift agreements on appropriately modest pay deals could give companies security for their planning and help monetary policy to meet its goal of price stability," it said.

It said there were signs this message was being understood. Recent wage deals have been around four percent compared with six percent early in 1992 and seven percent in 1991.

The Bundesbank said that recent moderation in union wage demands was particularly important in view of persistent inflationary pressures. It warned these would increase next year, when value-added tax rises to 15 percent from 14 percent currently.

West German inflation was 3.7 percent in November, almost twice the Bundesbank's medium-term goal. Economists expect the tax rise to push the annual rate over 4 percent.

Jobless Rate CNN Buys Stake Up to 10.3% In German Station

Reuters
LONDON — Britain's unemployment rate jumped to 10.3 percent of the work force in November, the highest for more than five and a half years, the government said Thursday.

The figures suggested unemployment would keep rising next year irrespective of whether the economy recovers from the recession, now 27 months long.

The seasonally adjusted unemployment total jumped by 41,000 persons in November, taking the total number of unemployed to 2.91 million. The jobless rate in October was 10.1 percent.

There have been a few signs of recovery emerging in the economy in recent weeks, and Thursday's figures contained a couple more. The number of job vacancies rose slightly, and unemployment in manufacturing, which has soared in recent months, increased by just 13,000.

But economists said even if the economy meets official projections of 1 percent growth in gross domestic product next year it would have little impact on unemployment, a lagging indicator.

"Unemployment is likely to continue rising until early 1994 and peak at around 12 million," said Sally Wilkinson, economist at Morgan Grenfell.

Companies around the globe have been forced to cut jobs to defend profit margins or stay in business in the face of weak demand.

By Brandon Mitchener
International Herald Tribune

FRANKFURT — CNN International German news station, on Thursday announced a technical and editorial partnership that gives the American network a long-sought local foothold and N-TV a strong financial ally.

CNN is paying an undisclosed amount for new shares in N-TV that gives it the largest single stake in the German station, 27.5 percent. The deal will include shared editorial offices in Berlin and mutual access to programming.

"CNN and N-TV together in Germany are an unbeatable pair," said Karl-Ulrich Kuhlo, managing director of N-TV, announcing the partnership in Berlin after four weeks of negotiations initiated by N-TV.

N-TV, which has been on the air since Nov. 30, is Germany's first all-news station. But it will face competition next year, when another German station heavy on news as well as a European news channel broadcasting in German are scheduled to begin transmission.

The deal also gives N-TV access to CNN's satellite transmission network, expanding the German station's potential audience by 35 percent, to 14 million viewing households, or one-third of the German total. N-TV has been limited to cable television subscribers.

Mark Rudolph, London-based director of CNN's international marketing, said the station, which is owned by Turner Broadcasting Systems Inc. of Atlanta, is also looking at other partnerships in

Europe and would pursue expansion plans together with N-TV.

Analysts said German is shaping up to be a key battleground in the contest for European news viewers, with CNN now having positioned itself to command the German market before competitors such as Euronews, a multilingual news channel based in Lyon and due to be launched next summer, even enter the fray.

"It certainly fits in with the CNN strategy to focus on their international operations and double the size of those operations by the end of 1993," said William von Muefling, a media analyst at Deutsche Bank Research in Frankfurt.

The editorial alliance with N-TV helps CNN beef up its international coverage, he said. Although about half of CNN's 50 million viewers live in Europe, the channel still tends toward a heavy diet of news from the United States.

ZDF, a German state-owned station that had been in talks with CNN over a joint venture, said it was disappointed about the development but added that it did not come as a surprise.

[The ZDF director-general, Dieter Stolte, said that now, "the main thing for ZDF is in setting its sights on an even more competitive partner," according to an Associated Press dispatch from Berlin.

[But Mr. Kuhlo of N-TV asserted that it would be unfair and illegal for the public broadcaster to spend more to develop a new service. The public stations, supported by fees paid by owners of TV and radio sets, are already over budget, he said.]

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
1990	2800	2100		
1800	2700	2000		
1700	2600	1900		
1600	2500	1800		
1500	2400	1700		
1400	2300	1600		
J A S O N D 1992				
Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	CBS Trend	103.00	103.10	-0.10
Brussels	Stoek Index	5,448.97	5,447.44	+0.03
Frankfurt	DAX	1,476.17	1,472.07	+0.26
Frankfurt	FAZ	581.67	580.88	+0.13
Helsinki	HEX	630.61	647.00	-1.94
London	Financial Times 30	2,082.50	2,081.60	+0.52
London	FTSE 100	2,740.30	2,732.80	+0.27
Madrid	General Index	213.74	214.84	-0.51
Milan	MIB	692.00	618.00	+2.94
Paris	CAC 40	1,735.23	1,736.69	-0.08
Stockholm	Affaersvaeriden	680.53	674.26	+0.64
Vienne	Stock Index	334.88	338.83	-1.46
Zurich	SBS	684.70	683.60	+0.17

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- Hungary, Czechoslovakia and Poland are expected to sign a free-trade agreement Monday that would slash duties on industrial and agricultural goods by 2001, Hungarian Prime Minister Jozsef Antall said.
- Finland recorded an unemployment rate of 16.9 percent in November, up from 16.2 percent in October, the Labor Ministry said.
- Credit Lyonnais's proposed acquisition of BFG Bank from AMB Aachener & Maechener Beteiligungs AG was likely to fail following new demands from the French bank, sources close to the talks said.
- Istituto Finanziario Industriale, the Agnelli family holding, said net profit fell 31 percent to 146 billion lire (\$104 million) in the six months ending in September and cited reduced dividend payments from Fiat SpA in which IFI holds a 28 percent stake.
- Nedlloyd Groep NV supervisory board member Torstein Hagen will try to force the company to sell its ocean shipping business, Lloyd's List said.
- Hollandsche Beton Groep NV and Gairol SA of France won a contract valued at 50 million guilders (\$28.6 million) to construct a new Paris subway station due for completion in 1995.
- SFT Inc., a U.S. food retailer owned by Casino SA of France, has formed a joint venture with Central Detailista SA in Mexico to operate wholesale food stores in Mexico.

Barclays Shares Lower on Write-Off

LONDON — Barclays Bank PLC's share price fell sharply after the company announced a write-off of £196 million (\$124 million) against its holdings in Imry Holdings Ltd., a real estate developer. Analysts said the announcement, although expected, focused investor concern on whether Barclays will maintain its final dividend. Barclays shares fell 9 pence to 379 pence. The shares had fallen close to that level shortly after the Imry announcement, but had recovered to 381 until news of a downgrading by Moody's Investors Service of its long-term debt caused the shares to fall again. Moody's cut Barclays Bank's senior-debt rating to Aa-2 from Aa-1. A Panmure Gordon analyst, Tim Clark, said the write-off was about £50 million more than he had expected.

Nestlé Repackages French Food and Water Businesses

Bloomberg Business News
PARIS — Nestlé SA said Thursday that it would change the holding company structure for its French operations, merging the mineral water companies Perrier and Vitell in one subsidiary and food operations in another.

The Swiss food company said it would put its Vitell water unit with Perrier, the French water company it acquired earlier this year after a lengthy takeover battle with the Agnelli family's IFIL SpA. Nestlé will form Nestlé Sources International SA for the water companies.

The food subsidiaries Sopad, Nestlé, Rowntree, Nestlé, France, Glaces, Flindus, Chambourcy, Herta, Glonia and Davigel will be put together into Nestlé France SA.

Both Nestlé Sources and Nestlé France will now be subsidiaries of Nestlé Entreprises SA, the new name for Demiac. Demiac was the holding company Nestlé formed to acquire Perrier.

Breakup Proposal Lifts Shares in British Gas

Compiled by Our Staff From Dispatches
LONDON — The stock of British Gas PLC rose Thursday after a regulatory body recommended that it be split into two companies to enhance competition.

Analysts said the prospect of separate stock listings was attractive to investors who concluded a breakup would lift the market's valuation of the company's assets. British Gas rose 3 pence, to close at 273 pence (\$4.30) a share.

But industry analysts said British Gas was likely to fight hard against the proposal made late Wednesday by the Office of Gas Supply, with which it has been engaged in a long dispute over pricing.

The Ofgas statement, from its director-general, Sir James McKinnon, recommended the company's transport and storage businesses be put under separate control and ownership from the rest of British Gas. "If the cost of the system falls the cost falls for everyone," Sir James said in a television interview Thursday, adding, "I think if the company is split you may see an improvement in the share price."

John Willis, an analyst at Yamsichi International (Europe), agreed that a breakup would create more value for shareholders. The transportation and storage business accounts for 75 percent of the company's revenue and would have a market capitalization of £9 billion-£10 billion if separately floated on the stock market, Mr. Willis added. British Gas's current market capitalization is £11.6 billion.

The transportation and storage business would have no diversification risk and could generate an annual net profit of £800 million-£900 million, Mr. Willis said. (Reuters, Bloomberg, APX)

DAF Gets Loans From Dutch and Belgian Banks

Bloomberg Business News
EINDHOVEN, Netherlands — The Dutch truck maker DAF NV said Thursday that it had secured loans from the Nationale Investering Bank and from NMKN of Belgium and that it expected a net loss of more than 100 million guilders (\$57 million) for 1992.

DAF had a net loss of 97.4 million guilders in the first half of 1992 and about 150 million guilders for all of 1991.

DAF said it had secured a loan of 67 million guilders from the state-owned NIB that is partially guaranteed by the Dutch government. The truck maker originally asked for an NIB loan of 100 million guilders.

Finnair Will Lay Off Staff In Rotation in Early 1993

Compiled by Our Staff From Dispatches
HELSINKI — Finnair, Finland's state-run airline, will temporarily lay off its entire staff in Finland on a rotating basis for a month early next year, the company said Thursday.

Finnair, which is running at a big loss, said it would lay off its 7,600 workers during the first three months of next year. The company also plans to cut its workforce by 500 next year.

Last month Finnair announced losses in the April-September period — the first six months of its budget year — of 197 million markkaa (\$38.7 million). In Brussels, Belgium's national air carrier, Sabena, announced that it had reached agreement with unions that would allow a vital restructuring plan to go ahead. Unions had protested job cuts involved in the restructuring, which was put into effect after Air France took a 37.5 percent stake in Sabena. The restructuring includes more than 2,000 job cuts over two years. (AFP, Reuters)

QANTAS: BA Outbids Singapore Airlines for Stake

(Continued from first finance page)
deal may now hinge on an agreement by which British Airways would be granted the right to block major decisions reached by USAir's board via so-called supermajority voting rights.

"BA really wants the super-majority veto, but it is totally unpalatable to the U.S. government," said Carol Hamcke-Onstwedder, an analyst with Morgan Stanley.

Sir Colin Marshall, BA's chief executive, recently identified that veto power as the crucial element in the deal that could prevent his company from reliving what is widely seen as the unhappy experience of KLM Royal Dutch Airlines. Several years ago, KLM said top dollar for a minority stake in Northwest Airlines, and subsequently has found itself all but powerless to stop Northwest's slide.

The problem is that BA's super-majority agreement is read by some as giving a minority shareholder some of the powers normally associated with a majority. That incongruity has provoked howls of outrage.

Although BA will have three seats on the 12-member Qantas board it has not been granted any veto powers. Analysts argue that unlike USAir, Qantas is a healthy carrier and the Australian market is not nearly as saturated as the American market. In short, the risks there are sufficiently smaller that BA may not feel it needs the insurance policy of the super-majority.

Through its stake in Qantas, BA will now not only have a strong network in Australia to feed passengers into its international routes, but it also gets access to Qantas's hubs in Singapore and Hong Kong.

"They get all that for less than the cost of four jumbo jets," said Mike Stoddard, an analyst with Charterhouse-Tilney.

Ms. Hamcke-Onstwedder of Morgan Stanley has praise for BA's management but also a caveat. "My greatest concern is that management may have gone on one shopping spree too many," she said, noting that all these new operations will require a great deal of management's time to sort out much less to build upon.

BA's chairman, Lord King, said, however, that the Qantas deal would create "opportunities for competitive growth and expansion on a level previously unavailable to either airline."

"It is an alliance that will create opportunity for competitive growth and expansion on a level previously unavailable to either airline," Sir Colin said. "Further, the economies of scale made available through the alliance will give greater scope for the future profitability of both companies."

The Qantas management is the remain the same under the agreement, but BA and Qantas will set up a coordinating committee and will develop a 10-year agreement to govern any cooperative ventures.

The profitable Qantas merged earlier this year with Australia's internal domestic carrier, Australian Airlines, which has been losing money. As part of the BA deal and to pave the way for the complete privatization of Qantas, the Australian government agreed to inject \$925 million in capital into Qantas, more than doubling its net worth.

GATT: Officials Fear Accord May Be Months Away

(Continued from page 1)
from farm products to telecommunications, might provide a sharp boost to the stagnant world economy.

A quick agreement is important partly because 18-year-old American legislation will expire in March that has allowed presidents to negotiate trade agreements and submit them for consideration by Congress with no amendments permitted. If this "fast track" legislation is no longer in place, Congressional approval could be a very lengthy process.

Although EC negotiators in Washington in November were supposed to be representing the agreed position of member countries, France, the largest European agricultural producer and exporter, has reacted angrily to the accord, under which subsidized grain exports from the Community would be reduced by 21 percent and oilseed production cut back sharply.

It is still not entirely clear, however, how much of the French position amounts to posturing aimed at gaining concessions in other areas like financial services and telecommunications.

Tran Van Thinh, the chief EC delegate to GATT and a French national, said Thursday that negotiations must continue in Geneva and that a final decision by the European Community, including France, would be made only when a complete GATT package was in place. France has threatened to veto an accord at this stage if its farmers do not secure a better deal.

agreement reached by EC farm ministers in Brussels still had holes. Portugal will not initially be part of the single market after it rejected compensation in exchange for bringing forward the end of temporary benefits granted when it joined the Community in 1986.

Denmark had a more general reservation connected with the need to consult its parliament, while Germany objected strongly to a new Community banana trade regime based on tariff quotas for imports of bananas mainly from Latin America.

A German spokesman said that a tariff quota of 2 million tons a year was too low, that import licensing arrangements were discriminatory and that a tariff of 850 European Currency Units (\$1,067) a ton on imports above the quota was prohibitive.

Germany, seeking cheap banana supplies and a liberal trade regime,

had sought a 2.5 million ton quota which would have been similar to the Community's existing level of imports.

But France demanded a quota of only 1.4 million tons to protect high-cost growers in its Caribbean territories and in Africa, Caribbean and Pacific countries.

Ministers also agreed a compromise on financing farm trade. They scrapped a system of border taxes and subsidies on farm trade within the EC but, under strong German pressure, kept a costly switcher mechanism protecting farmers in strong currency countries from price cuts after monetary realignments.

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Gaps in EC Farm Accord

Diplomats cautioned that the

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NYSE

Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

High Low Open Close

High	Low	Open	Close	High	Low	Open	Close
136.00	135.00	135.00	136.00	210.00	205.00	208.00	210.00
137.00	136.00	136.00	137.00	215.00	210.00	212.00	215.00
138.00	137.00	137.00	138.00	220.00	215.00	218.00	220.00
139.00	138.00	138.00	139.00	225.00	220.00	222.00	225.00
140.00	139.00	139.00	140.00	230.00	225.00	228.00	230.00
141.00	140.00	140.00	141.00	235.00	230.00	232.00	235.00
142.00	141.00	141.00	142.00	240.00	235.00	238.00	240.00
143.00	142.00	142.00	143.00	245.00	240.00	242.00	245.00
144.00	143.00	143.00	144.00	250.00	245.00	248.00	250.00
145.00	144.00	144.00	145.00	255.00	250.00	252.00	255.00
146.00	145.00	145.00	146.00	260.00	255.00	258.00	260.00
147.00	146.00	146.00	147.00	265.00	260.00	262.00	265.00
148.00	147.00	147.00	148.00	270.00	265.00	268.00	270.00
149.00	148.00	148.00	149.00	275.00	270.00	272.00	275.00
150.00	149.00	149.00	150.00	280.00	275.00	278.00	280.00
151.00	150.00	150.00	151.00	285.00	280.00	282.00	285.00
152.00	151.00	151.00	152.00	290.00	285.00	288.00	290.00
153.00	152.00	152.00	153.00	295.00	290.00	292.00	295.00
154.00	153.00	153.00	154.00	300.00	295.00	298.00	300.00
155.00	154.00	154.00	155.00	305.00	300.00	302.00	305.00
156.00	155.00	155.00	156.00	310.00	305.00	308.00	310.00
157.00	156.00	156.00	157.00	315.00	310.00	312.00	315.00
158.00	157.00	157.00	158.00	320.00	315.00	318.00	320.00
159.00	158.00	158.00	159.00	325.00	320.00	322.00	325.00
160.00	159.00	159.00	160.00	330.00	325.00	328.00	330.00
161.00	160.00	160.00	161.00	335.00	330.00	332.00	335.00
162.00	161.00	161.00	162.00	340.00	335.00	338.00	340.00
163.00	162.00	162.00	163.00	345.00	340.00	342.00	345.00
164.00	163.00	163.00	164.00	350.00	345.00	348.00	350.00
165.00	164.00	164.00	165.00	355.00	350.00	352.00	355.00
166.00	165.00	165.00	166.00	360.00	355.00	358.00	360.00
167.00	166.00	166.00	167.00	365.00	360.00	362.00	365.00
168.00	167.00	167.00	168.00	370.00	365.00	368.00	370.00
169.00	168.00	168.00	169.00	375.00	370.00	372.00	375.00
170.00	169.00	169.00	170.00	380.00	375.00	378.00	380.00
171.00	170.00	170.00	171.00	385.00	380.00	382.00	385.00
172.00	171.00	171.00	172.00	390.00	385.00	388.00	390.00
173.00	172.00	172.00	173.00	395.00	390.00	392.00	395.00
174.00	173.00	173.00	174.00	400.00	395.00	398.00	400.00
175.00	174.00	174.00	175.00	405.00	400.00	402.00	405.00
176.00	175.00	175.00	176.00	410.00	405.00	408.00	410.00
177.00	176.00	176.00	177.00	415.00	410.00	412.00	415.00
178.00	177.00	177.00	178.00	420.00	415.00	418.00	420.00
179.00	178.00	178.00	179.00	425.00	420.00	422.00	425.00
180.00	179.00	179.00	180.00	430.00	425.00	428.00	430.00
181.00	180.00	180.00	181.00	435.00	430.00	432.00	435.00
182.00	181.00	181.00	182.00	440.00	435.00	438.00	440.00
183.00	182.00	182.00	183.00	445.00	440.00	442.00	445.00
184.00	183.00	183.00	184.00	450.00	445.00	448.00	450.00
185.00	184.00	184.00	185.00	455.00	450.00	452.00	455.00
186.00	185.00	185.00	186.00	460.00	455.00	458.00	460.00
187.00	186.00	186.00	187.00	465.00	460.00	462.00	465.00
188.00	187.00	187.00	188.00	470.00	465.00	468.00	470.00
189.00	188.00	188.00	189.00	475.00	470.00	472.00	475.00
190.00	189.00	189.00	190.00	480.00	475.00	478.00	480.00

U.S. STOCKS

The New York Stock Exchange closed higher today, with the Dow Jones Industrial Average ending at 3,413.44, up 10.43 points from 3,403.01. The S&P 500 Index rose 10.43 points to 3,413.44. The NYSE composite index advanced 10.43 points to 3,413.44.

Among the major indices, the Dow Jones Industrial Average led the way, ending the day at 3,413.44, up 10.43 points from 3,403.01. The S&P 500 Index followed, rising 10.43 points to 3,413.44. The NYSE composite index also advanced, adding 10.43 points to reach 3,413.44.

Volume was strong today, with over 4 billion shares traded on the NYSE. The market was characterized by a steady upward trend, with most major sectors showing gains.

INTERNATIONAL

London's FTSE-100 Index closed at 3,848.14, up 10.43 points from 3,837.71. The Nikkei 225 Index in Tokyo rose 10.43 points to 14,123.44. The Hang Seng Index in Hong Kong advanced 10.43 points to 10,123.44.

Foreign markets generally mirrored the U.S. market's performance, with most major indices showing gains. The Asian market was particularly strong, with the Nikkei and Hang Seng leading the way.

CURRENCY

The U.S. Dollar strengthened today, with the Dollar Index rising 0.01 to 88.12. The Euro fell 0.01 to 1.65. The Japanese Yen advanced 0.01 to 165.12.

BOND MARKET

The 10-year Treasury note yield fell 0.01 to 6.12%. The 30-year Treasury bond yield also declined, ending at 7.12%.

COMMODITIES

Oil prices were stable today, with West Texas Intermediate ending at \$20.12 per barrel. Gold prices advanced, with the price rising to \$350.12 per ounce.

NYSE High-Lows

Continued from page 17

Symbol	High	Low	Open	Close
AA	136.00	135.00	135.00	136.00
ABC	137.00	136.00	136.00	137.00
ABX	138.00	137.00	137.00	138.00
AD	139.00	138.00	138.00	139.00
AEE	140.00	139.00	139.00	140.00
AEG	141.00	140.00	140.00	141.00
AET	142.00	141.00	141.00	142.00
AEX	143.00	142.00	142.00	143.00
AFL	144.00	143.00	143.00	144.00
AG	145.00	144.00	144.00	145.00
AGI	146.00	145.00	145.00	146.00
AGU	147.00	146.00	146.00	147.00
AH	148.00	147.00	147.00	148.00
AHJ	149.00	148.00	148.00	149.00
AHJ	150.00	149.00	149.00	150.00
AHI	151.00	150.00	150.00	151.00
AHJ	152.00	151.00	151.00	152.00
AHI	153.00	152.00	152.00	153.00
AHJ	154.00	153.00	153.00	154.00
AHI	155.00	154.00	154.00	155.00
AHJ	156.00	155.00	155.00	156.00
AHI	157.00	156.00	156.00	157.00
AHJ	158.00	157.00	157.00	158.00
AHI	159.00	158.00	158.00	159.00
AHJ	160.00	159.00	159.00	160.00
AHI	161.00	160.00	160.00	161.00
AHJ	162.00	161.00	161.00	162.00
AHI	163.00	162.00	162.00	163.00
AHJ	164.00	163.00	163.00	164.00
AHI	165.00	164.00	164.00	165.00
AHJ	166.00	165.00	165.00	166.00
AHI	167.00	166.00	166.00	167.00
AHJ	168.00	167.00	167.00	168.00
AHI	169.00	168.00	168.00	169.00
AHJ	170.00	169.00	169.00	170.00

NYSE High-Lows

Continued from page 17

Symbol	High	Low	Open	Close
AA	136.00	135.00	135.00	136.00
ABC	137.00	136.00	136.00	137.00
ABX	138.00	137.00	137.00	138.00
AD	139.00	138.00	138.00	139.00
AEE	140.00	139.00	139.00	140.00
AEG	141.00	140.00	140.00	141.00
AET	142.00	141.00	141.00	142.00
AEX	143.00	142.00	142.00	143.00
AFL	144.00	143.00	143.00	144.00
AG	145.00	144.00	144.00	145.00
AGI	146.00	145.00	145.00	146.00
AGU	147.00	146.00	146.00	147.00
AH	148.00	147.00	147.00	148.00
AHJ	149.00	148.00	148.00	149.00
AHI	150.00	149.00	149.00	150.00
AHJ	151.00	150.00	150.00	151.00
AHI	152.00	151.00	151.00	152.00
AHJ	153.00	152.00	152.00	153.00
AHI	154.00	153.00	153.00	154.00
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AHI	160.00	159.00	159.00	160.00
AHJ	161.00	160.00	160.00	161.00
AHI	162.00	161.00	161.00	162.00
AHJ	163.00	162.00	162.00	163.00
AHI	164.00	163.00	163.00	164.00
AHJ	165.00	164.00	164.00	165.00
AHI	166.00	165.00	165.00	166.00
AHJ	167.00	166.00	166.00	167.00
AHI	168.00	167.00	167.00	168.00
AHJ	169.00	168.00	168.00	169.00
AHI	170.00	169.00	169.00	170.00

(Continued on next left-hand page)

NYSE High-Lows

Symbol	High	Low	Open	Close
AA	136.00	135.00	135.00	136.00
ABC	137.00	136.00	136.00	137.00
ABX	138.00	137.00	137.00	138.00
AD	139.00	138.00	138.00	139.00
AEE	140.00	139.00	139.00	140.00
AEG	141.00	140.00	140.00	141.00
AET	142.00	141.00	141.00	142.00
AEX	143.00	142.00	142.00	143.00
AFL	144.00	143.00	143.00	144.00
AG	145.00	144.00	144.00	145.00
AGI	146.00	145.00	145.00	146.00
AGU	147.00	146.00	146.00	147.00
AH	148.00	147.00	147.00	148.00
AHJ	149.00	148.00	148.00	149.00
AHI	150.00	149.00	149.00	150.00
AHJ	151.00	150.00	150.00	151.00
AHI	152.00	151.00	151.00	152.00
AHJ	153.00	152.00	152.00	153.00
AHI	154.00	153.00	153.00	154.00
AHJ	155.00	154.00	154.00	155.00
AHI	156.00	155.00	155.00	156.00
AHJ	157.00	156.00	156.00	157.00
AHI	158.00	157.00	157.00	158.00
AHJ	159.00	158.00	158.00	159.00
AHI	160.00	159.00	159.00	160.00
AHJ	161.00	160.00	160.00	161.00
AHI	162.00	161.00	161.00	162.00
AHJ	163.00	162.00	162.00	163.00
AHI	164.00	163.00	163.00	164.00
AHJ	165.00	164.00	164.00	165.00
AHI	166.00	165.00	165.00	166.00
AHJ	167.00	166.00	166.00	167.00
AHI	168.00	167.00	167.00	168.00
AHJ	169.00	168.00	168.00	169.00
AHI	170.00	169.00	169.00	170.00

AMEX High-Lows

Symbol	High	Low	Open	Close
AA	13			

NASDAQ

Thursday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	12 Month Low	Stock	Div	Yld	PE	52 Week High	52 Week Low	Change
44	38	AA				44	38	0
40	35	AB				40	35	0
35	30	AC				35	30	0
30	25	AD				30	25	0
25	20	AE				25	20	0
20	15	AF				20	15	0
15	10	AG				15	10	0
10	5	AH				10	5	0
5	0	AI				5	0	0
0	0	AJ				0	0	0
0	0	AK				0	0	0
0	0	AL				0	0	0
0	0	AM				0	0	0
0	0	AN				0	0	0
0	0	AO				0	0	0
0	0	AP				0	0	0
0	0	AQ				0	0	0
0	0	AR				0	0	0
0	0	AS				0	0	0
0	0	AT				0	0	0
0	0	AU				0	0	0
0	0	AV				0	0	0
0	0	AW				0	0	0
0	0	AX				0	0	0
0	0	AY				0	0	0
0	0	AZ				0	0	0
0	0	BA				0	0	0
0	0	BB				0	0	0
0	0	BC				0	0	0
0	0	BD				0	0	0
0	0	BE				0	0	0
0	0	BF				0	0	0
0	0	BG				0	0	0
0	0	BH				0	0	0
0	0	BI				0	0	0
0	0	BJ				0	0	0
0	0	BK				0	0	0
0	0	BL				0	0	0
0	0	BM				0	0	0
0	0	BN				0	0	0
0	0	BO				0	0	0
0	0	BP				0	0	0
0	0	BQ				0	0	0
0	0	BR				0	0	0
0	0	BS				0	0	0
0	0	BT				0	0	0
0	0	BV				0	0	0
0	0	BW				0	0	0
0	0	BX				0	0	0
0	0	BY				0	0	0
0	0	BZ				0	0	0
0	0	CA				0	0	0
0	0	CB				0	0	0
0	0	CC				0	0	0
0	0	CD				0	0	0
0	0	CE				0	0	0
0	0	CF				0	0	0
0	0	CG				0	0	0
0	0	CH				0	0	0
0	0	CI				0	0	0
0	0	CJ				0	0	0
0	0	CK				0	0	0
0	0	CL				0	0	0
0	0	CM				0	0	0
0	0	CN				0	0	0
0	0	CO				0	0	0
0	0	CP				0	0	0
0	0	CQ				0	0	0
0	0	CR				0	0	0
0	0	CS				0	0	0
0	0	CT				0	0	0
0	0	CV				0	0	0
0	0	CW				0	0	0
0	0	CX				0	0	0
0	0	CY				0	0	0
0	0	CZ				0	0	0
0	0	DA				0	0	0
0	0	DB				0	0	0
0	0	DC				0	0	0
0	0	DD				0	0	0
0	0	DE				0	0	0
0	0	DF				0	0	0
0	0	DG				0	0	0
0	0	DH				0	0	0
0	0	DI				0	0	0
0	0	DJ				0	0	0
0	0	DK				0	0	0
0	0	DL				0	0	0
0	0	DM				0	0	0
0	0	DN				0	0	0
0	0	DO				0	0	0
0	0	DP				0	0	0
0	0	DQ				0	0	0
0	0	DR				0	0	0
0	0	DS				0	0	0
0	0	DT				0	0	0
0	0	DV				0	0	0
0	0	DW				0	0	0
0	0	DX				0	0	0
0	0	DY				0	0	0
0	0	DZ				0	0	0
0	0	EA				0	0	0
0	0	EB				0	0	0
0	0	EC				0	0	0
0	0	ED				0	0	0
0	0	EE				0	0	0
0	0	EF				0	0	0
0	0	EG				0	0	0
0	0	EH				0	0	0
0	0	EI				0	0	0
0	0	EJ				0	0	0
0	0	EK				0	0	0
0	0	EL				0	0	0
0	0	EM				0	0	0
0	0	EN				0	0	0
0	0	EO				0	0	0
0	0	EP				0	0	0
0	0	EQ				0	0	0
0	0	ER				0	0	0
0	0	ES				0	0	0
0	0	ET				0	0	0
0	0	EV				0	0	0
0	0	EW				0	0	0
0	0	EX				0	0	0
0	0	EY				0	0	0
0	0	EZ				0	0	0
0	0	FA				0	0	0
0	0	FB				0	0	0
0	0	FC				0	0	0
0	0	FD				0	0	0
0	0	FE				0	0	0
0	0	FF				0	0	0
0	0	FG				0	0	0
0	0	FH				0	0	0
0	0	FI				0	0	0
0	0	FJ				0	0	0
0	0	FK				0	0	0
0	0	FL				0	0	0
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U.S. Tariffs Worry Korean Chipmakers

By Andrew Pollack

SEOUL—When Samsung Electronics Co. decided to enter the computer memory-chip business in the early 1990s, it tried to license the technology it needed from many American and Japanese companies.

American memory-chip producers, filed a complaint with the Commerce Department scolding Samsung and two other South Korean semiconductor companies of dumping D-RAMs, selling them at unfairly low prices in the United States.

In October, the commerce agency agreed with Micron and imposed preliminary duties that would force Samsung to raise its prices in the United States by 87.4 percent.

The two other companies, Hyundai Electronics Industries Co., and a unit of Lucky-Goldstar International Corp., were assessed penalties of 5.99 percent and 52.41 percent, respectively. The duties are intended to raise prices to what they would be if the maker were recovering its costs plus a reasonable profit. The South Koreans contend they are making money.

If a final ruling in March confirms those penalties, it would effectively wipe Samsung and Goldstar out of the American market and deal a blow to their aspirations in the overall semiconductor market.

Most analysts expect the final tariffs to be cut sharply from the preliminary ruling. But in the cutthroat D-RAM business, "even a 10-percent tariff would be difficult," Kim Kwang Ho said.

But dumping duties, if they are permanent, could also hurt U.S. computer companies, which have welcomed the low-priced South Korean chips as a way to hold down costs and prevent a near-monopoly by the Japanese in the business.

South Korean companies supply about 25 percent of the United States market and the world market, according to Dataquest, a market research firm.

Executives and analysts said that if the dumping margins are made permanent, prices for D-RAMs in the United States will be higher than those in the rest of the world.

Most notably in Southeast Asia, where excess South Korean chips would probably go. That could prompt U.S. companies to move more of their personal computer manufacturing abroad to be able to use less expensive parts.

Two leading Japanese makers of memory chips, NEC Corp. and Toshiba Corp., plan to increase output by working over the New Year's vacation period, company spokesmen said Thursday, according to a Bloomberg Business News report from Tokyo.

A spokesman for Toshiba said the company was negotiating with its work force on the issue. Workers would be given vacations at a later date and would be paid overtime.

An NEC executive, Mark Pearce, also confirmed that his company was asking a number of its factories to work through the vacation, but said that full details of the arrangements were still being worked out.

The news caused a rally in electronic stocks as investors took the report as indicating signs of an economic recovery.

NEC's stock rose 17 yen, to 682 (\$5.54). Toshiba gained 11 yen, to 636, and Mitsubishi Electric rose 6 yen, to 478.

Westpac Shakeout Fells Key Director

Reuters

SYDNEY — The managing director of Australia's embattled Westpac Banking Corp. resigned on Thursday, delivering a shock to investors already stung by big losses, a failed rights issue and board upheaval.

Mr. Conroy's departure follows those of former Westpac chairman, Sir Eric Neal, and four other directors who resigned in October after the bank's recent poor performance.

Westpac recorded a net loss of 1.56 billion dollars for the year to September after posting profit of 476.4 million dollars the previous year.

"It just means that the process of cutting costs at Westpac is going to be more drastic and executed more quickly than people thought," said Martin Duncan of BT Securities.

Sales of Steel Surge at BHP

Bloomberg Business News

MELBOURNE — Broken Hill Pty., Australia's giant mining and steel concern, said Thursday that domestic sales of steel were surging ahead of last year's levels.

BHP's November sales report showed that domestic steel deliveries for the six months ending Nov. 30 were up 7.2 percent from a year earlier, at 1.7 million metric tons.

Steel in Australia is used primarily in auto production, housing and the manufacture of durable goods, and the strong sales are taken as a positive sign for these sectors.

The company is scheduled to announce its half-year earnings results on Friday.

Some believed he was forced to resign because he disagreed with cost-cutting proposed by Mr. Packer, who has accepted an invitation to join the Westpac board after acquiring a 10 percent stake in the bank last month.

"You might as well say Packer is running the board even though he's not on it yet," said one analyst.

The analyst, who did not want to be named, said Mr. Conroy's resignation was a negative development for the ailing bank.

Mr. Conroy's resignation followed discussion at the board "of the need for the leader of the bank's change program to be someone who comes fresh to the task."

Mr. Uhrig will act as executive chairman until a new chief executive is appointed. The board expected to appoint someone before the annual meeting on Jan. 19.

NEC Buys Stake In Control Data

Bloomberg Business News

TOKYO — NEC Corp. said Thursday it has acquired 4.99 percent of the equity of Control Data Systems Inc., the U.S. maker of large-scale computers.

NEC will pay 660 million yen (\$5.36 million) for 623,800 shares in Control Data.

NEC will supply high-powered, desktop computers to Control Data, which can sell the units under its own name in the United States.

IBM to Slash Up to 1,500 Jobs in Asia

Reuters

TOKYO — IBM is likely to cut around 1,500 jobs in the Asia-Pacific region, but is hoping it will not have to break a major taboo of corporate Japan by laying off workers there, a spokesman said on Thursday.

"For Asia overall, we reckon in the neighborhood of 1,500," said Mac Jeffrey, spokesman for the Asian operations of International Business Machines Corp.

"We don't think we're going to need to lay off people," he said. "But we cannot rule it out 100 percent."

Mr. Jeffrey said the president of IBM Japan had sent a letter to all employees, assuring them that he had not yet made any plans to abandon the country's corporate tradition of the life-time employment system.

IBM announced plans Tuesday to cut 25,000 jobs in the Asia-Pacific region, and about 80 percent of them in Japan.

But business in Asia was faring better than in other parts of the world and was likely to experience less upheaval, said Mr. Jeffrey. "It will be much more modest than in the U.S. and Europe," he said.

He said plans to reduce the number of workers in Asia had not yet been set. But he added that Asian subsidiaries would lose staff through attrition and voluntary programs if possible.

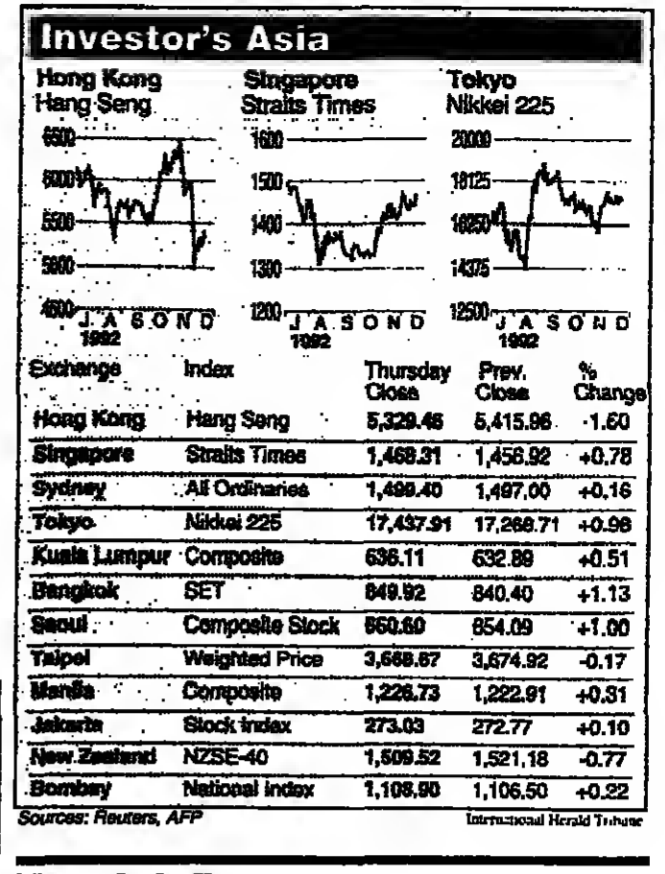
The current economic downturn has severely pressed Japan's computer industry, and several large companies are shedding jobs. Yet all vigorously deny they intend to lay off staff.

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INTERNATIONAL FUNDS

Dec. 17, 1992

Table of International Funds with columns for fund name, share price, and other details. Includes sections for Global Equity, Global Bond, and various regional funds.



Very briefly: NZ Rail is to be sold to investors by negotiated tender, the New Zealand government announced; news reports estimate the value of the freight and passenger railroad system at 300 million dollars (\$155 million).

SPORTS TENNIS

Stellar Record Earns Gorman Another Year as Cup Captain

By Robin Finn
New York Times Service

NEW YORK — It was always obvious, especially to John McEnroe, who hankered for the job, and the U.S. Tennis Association finally made it official: the captaincy of the U.S. Davis Cup team has again been awarded to Tom Gorman, the seven-year veteran who guided the team to championship seasons in 1990 and 1992.

"Our mission is to repeat in 1993, and I hope it's the same team," said Gorman, whose expanded USTA duties will include the guidance of junior players in the player development program. Gorman said Wednesday that he intended to ask Andre Agassi, Pete Sampras, Jim Courier and McEnroe, whom he called "the glue that solidified" this year's team, to return in 1993.

"I think they're the best Davis Cup team the United States has ever had," Gorman said.

The decision to give Gorman a new one-year contract was made by

the new USTA president, J. Howard Fraser, on the basis of Gorman's record 17 victories (the most for any Davis Cup captain), three straight trips to the final and two titles.

"The bottom line is that he truly has earned it," said Fraser, who was not aware that the players had expressed support for McEnroe's candidacy. "Of course it's a concern to me, but I hope Tom will have the players' continued support. And I personally would love to have John back on the team."

McEnroe said last week in Munich that he did not want any player to boycott the Davis Cup on his behalf should he fail to become the captain.

"I feel like I could do a good job as Davis Cup captain," said McEnroe, who has played on the team for a dozen years. "But you don't change a winning formula. If it's not meant to be, I'll get by. But I want to make it clear that I don't think they should say, 'We are not playing if John's not the captain.'"

Whether the team will have to get by without McEnroe's services

next year is another of those indistinct possibilities that could be a byproduct of Fraser's decision.

"It would have been very difficult for the USTA to reach any other decision in the light of Tom's recent success," Sampras said Wednesday from his home in Florida.

Of the 1992 quartet, only Courier has unconditionally declared himself ready for a return in 1993. Agassi, who hopes to add McEnroe to his coaching staff next year as a "personal adviser," is adamant about keeping the 1992 squad together.

"When you have four players like this that can be on the same team, it would be a crime not to have it happen," he said. "But I don't think we have a desire to make John want to play, we'll leave it in his hands."

The team's first-round obstacle is a March date with Australia in Australia on grass, the surface that made both McEnroe and Agassi champions at Wimbledon.



Wayne Gretzky on the ice again; the Kings hope that he can resume full-contact practice within the next two to three weeks.

Outlook On Gretzky Brightens

By Lisa Dillman
Los Angeles Times Service

INGLEWOOD, California — Wayne Gretzky has progressed so quickly on his rehabilitation schedule that the Los Angeles Kings hope he can resume full-contact practice within the next two to three weeks.

If there are no setbacks, Gretzky could be back in the lineup in six to eight weeks, according to Barry Melrose, coach of the National Hockey League team. Gretzky has not played since he suffered a herniated thoracic disk during training camp in September.

"We're very optimistic," Melrose said. "Late January or early February — that's what we're hoping."

Gretzky, who skated for 30 to 40 minutes Wednesday morning at the Kings' practice facility, said: "The last month has been frustrating. I've been pain-free, so I feel like I can play. But I can't yet."

Gretzky skated with Tomas Sandstrom, who is sidelined because of a broken left forearm. Sandstrom could be back in the lineup for Tuesday's home-game against Vancouver, Melrose said.

Sandstrom wasn't as optimistic, saying his prognosis hinged on a visit to the doctor on Monday for another X-ray. He has been out since Toronto's Doug Gilmour slashed him on Nov. 21.

Melrose said he will keep Jari Kurri at center when Gretzky returns.

How will Gretzky's return affect the Kings' newfound unity?

"If Wayne was selfish, it would be a problem," Melrose said. "But Wayne's not like that. The kids are dying to play with him. They don't even know what to say to him because they haven't been around him. He's not a bad person, so it's not going to be a problem."

Gretzky said that "as time went on, I missed it more and more. You learn how much fun it is and how much I enjoy the game."

"It may have been something I needed. I put so many years in since I was 17. So many pressure situations. Maybe it was a way to give me a break for a few months and slow me down and throw me back into the lion's den."

Jamaica: All Eyes on Faldo And His Eye's on the Ball

By Jaime Diaz
New York Times Service

MONTEGO BAY, Jamaica — Nick Faldo's hold on his position as the No. 1 golfer in the world goes far beyond possessing a swing that is now being modeled on the secrets of Sam Snead and Ben Hogan.

The force of Faldo's grip at the top is conveyed in his relentless desire to improve, in his chilling demeanor during competition and perhaps most graphically in the torrent of tears he couldn't control after winning his third British Open, at Muirfield, Scotland in July.

Unlike others who have reached or approached golf's pinnacle, the 35-year-old Englishman never complains about the costs. He simply wants to be there more than anyone else.

"Nick just loves the fact that he is the best," said his longtime coach, David Leadbetter. "He is always conscious of not letting up, always totally focused on getting that little bit better. When you've got that kind of unbelievable drive, and a lot of talent, there is no telling what you can do."

Beginning Thursday at the \$2.7 million Johnnie Walker World Championship at Montego Bay at the Tryall Golf Club, Faldo will attempt to put an exclamation point on what has been the greatest season of his 16-year professional career.

In a field of 28 of the best players in the world, he is taking dead aim at a first prize of \$550,000 in the richest golf tournament ever held.

"It's a good event that got off to a very good start last year," Faldo said. "It's not a major, but I think it's already bigger than a regular event. If they keep going for 20 years, it could really be something."

Faldo's presence makes him the favorite this week on a windswept, seaside course whose rough is thickly gnarled.

"Nick is obviously the best player, especially on this type of course," said Fred Couples, the defending champion and No. 2 player in the Sony rankings, who will be paired with Faldo in the first two rounds. "He is so good at maybe not having his best round but still shooting a good score. I'll pay attention and watch him play."

Indeed, Faldo in 1992 has been mesmerizing, besides taking the British Open in heroic fashion, he won four other European tour events:

the Irish Open, the European Open, the Scandinavian Masters and the World Match Play.

In the four major championships, around which Faldo builds his entire year, his cumulative total was 13 strokes better than that of the next best player, Nick Price.

Even more than in 1990, when he won the Masters and the British Open, Faldo maintained the kind of consistency thought by many to be a thing of the past.

From early May until mid-September, over a stretch of 12 tournaments, Faldo did not finish below the top eight in any tournament, anywhere. In 26 individual events around the world this year, he has won more than \$2 million.

Whatever the pure numbers, the year has been Faldo's most emotionally satisfying.

It came after a disappointing 1991, when for the first time since rebuilding his game in the mid-1980s, Faldo's progress actually halted. He won only one tournament, and did not finish in the top 10 in any of the four majors.

"I had to learn how to cope with my game being off," he said. "At first it was tremendously frustrating. The breakthrough came when I finally realized that you can't hit the ball as well as you'd like all the time. There is a human element."

But with acceptance of limitations came more work to eliminate them. In collaboration with Leadbetter last winter, Faldo struggled to employ an unvarying spine angle throughout his swing.

"The changes I was making felt very awkward," said Faldo. "But one day David showed me some film of Sam Snead and how beautifully his spine stayed straight, and it suddenly clicked. That picture of Sam is the one I keep in my head."

The revelation freed Faldo to progress beyond a somewhat robotic approach to the game, and employ the kind of creativity that his shotmaking had previously seemed to lack.

This new skill came to the fore in the final round at Muirfield, when Faldo hit a soft, faded 5-iron under a strong wind that led to a crucial birdie on the 15th hole.

"Nick has actually gone back to more of the old style of play by really working the ball and shaping his iron shots," said Leadbetter. "It's given him another dimension where he can hit what we call 'feel' shots and really carve the ball into the pin."

Couples to Play More in Europe

By Robin Finn
New York Times Service

MONTEGO BAY, Jamaica — Fred Couples, the 1992 Masters champion and winner of \$1.3 million on the U.S. tour this year, said he wanted to play fewer tournaments overall in 1993 but more in Europe.

"It's a Ryder Cup year and it will help me prepare, plus I like to play in Europe," said Couples, who was a star of last year's victorious U.S. Ryder Cup team.

Couples, who this year played in two events in Germany, the British Open and the Dunhill Cup, said he found playing in Europe a valuable learning experience.

"Barry Lane is a great player and a lot of our guys don't even know who he is," he said of the 32-year-old Englishman who won the German Masters, where Couples placed 27th.

And of Nick Faldo, he said, "It's good to play attention when I watch him play."

But Couples won't have to go to Europe to get his next look at his chief rival. He is playing with Faldo for at least the first two days of this week's tournament.

Talented Young Nordiques Make Use Of Forum to Revive Quebec Rivalry

By Robin Finn
New York Times Service

Montreal — The Montreal Canadiens and Quebec Nordiques can't agree on whether the old rivalry between the two National Hockey League clubs has resurfaced.

But rivalry or not, the latest showdown between the unfriendly provincial neighbors was no contest.

Mats Sundin scored a goal and got three assists, Martin Rucinsky scored twice and Andrei Kovalenko once to pace the resurgent Nordiques to a 5-1 romp over the Canadiens in the first game of a home-and-home series.

"We're two French teams," said Sundin, whose Nordiques say the rivalry lives again.

"It reminds me of Sweden — the games between the two teams from Stockholm were real intense. Montreal is a great team but we are getting better."

The proud Canadiens, who lost for just the third time in 15 home

games this season, appear unwilling to give their northern neighbors their due as a legitimate challenger in the Adams Division, even though Quebec's 3-0 record against Montreal suggests otherwise. An NHL doorman last season, the upstart Nordiques trail division leader.

Joe Sakic added a goal and two assists for the Nordiques. And Sundin, with his four-point performance, moved into a third-place tie in league scoring with teammate Sakic and Los Angeles' Jari Kurri. All three have 51 points. Sakic and Sundin each have 23 goals.

Hextall's shutout was spoiled by Kirk Muller 30 seconds into the third period. Quebec was 3 for 9 on the power play.

Others 4, Canucks 2: In Edmonton, Alberta, Esa Tikkanen and Craig MacTavish each scored short-handed in their team's three-goal first period that helped end Vancouver's unbeaten run at four games.

the league's next elite team. So victory at the faded Forum no longer makes Quebec's season.

"I find comfort in beating everybody, not just Montreal," said Ron Hextall, who stopped 35 shots and helped blank the Canadiens on seven power plays. "But you can feel the excitement" at the Forum.

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DENNIS THE MENACE



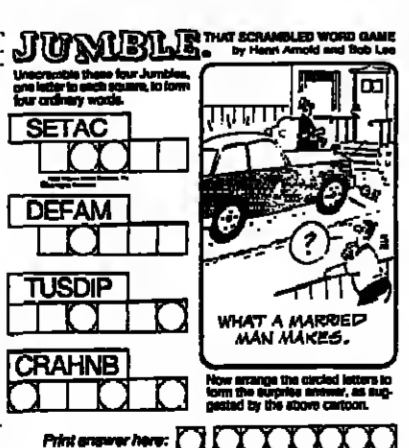
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SPORTS BASKETBALL

Ewing Is Big Daddy For Inspired Knicks

By Dave Anderson
New York Times Service

NEW YORK — No matter what the sport, the popular cliché word is "intensity." But that's simply a synonym for being in the game beyond the game, for being in the game emotionally, almost spiritually. And as the New York Knicks roar along in first place in the Atlantic Division of the National Basketball Association, nobody is in the game more emotionally than Patrick Ewing.

It's as if the Knicks were his team now. His responsibility. Driving their 108-94 deflation of the Nets on Tuesday night, Ewing didn't merely score 27 points in 29 minutes. When excitable John Starks was assessed a technical foul, Ewing growled, "We don't need that," then spanked him on the posterior. When a scuffle with the Nets developed, Ewing scolded Charles Smith, then cuffed Anthony Mason as a forgoing father might.

In another crisis, Ewing spoke sternly to Starks, who touched him on the right arm. Ewing responded with a tender pat to the head. More than any of his teammates, Ewing could be seen clapping and cajoling. By raising his level of intensity, he raised theirs.

Small moments, to be sure, but moments of subtle significance. In other seasons, Patrick Ewing never acted quite like this. He has always been intense, but not this intense. Not this emotional. Not this responsible. Asked about it, he acknowledged the difference in him.

"I've been stepping up," he said softly, "and trying to be more outspoken."

Maybe it's because Ewing realized, at age 30 and in his eighth NBA season, that he is now the Knicks' elder statesman. Maybe it's because Mark Jackson, Xavier McDaniel and Gerald Wilkins are no longer around to share that responsibility. Maybe it's because he couldn't expect any of the newcomers, even point guard Glenn Rivers, 31, to take over as the Knicks' leader.

Whatever the reason, he's Big Daddy now. "All the little things that Patrick does, that's my biggest surprise coming here," said Rivers, acquired from the Los Angeles Clippers in the Mark Jackson trade. "Patrick is a superstar, but he's the first guy on the court at practice. He dives for loose balls in practice. He yells at us at practice. When you see the best player on the team practicing hard, everybody else has to practice hard."

Even on the team bus Ewing is now Big Daddy. "We'll be going to a game," Rivers said, "and some guys will be talking about this or that but then you'll hear Patrick saying, 'Let's think about the game.' The only way you can lead is with your best player."

AROUND THE NBA, the Chicago Bulls are Michael Jordan's team. Just as the Los Angeles Lakers were Magic Johnson's team and the Boston Celtics were Larry Bird's team. Now the Knicks are Patrick Ewing's team.

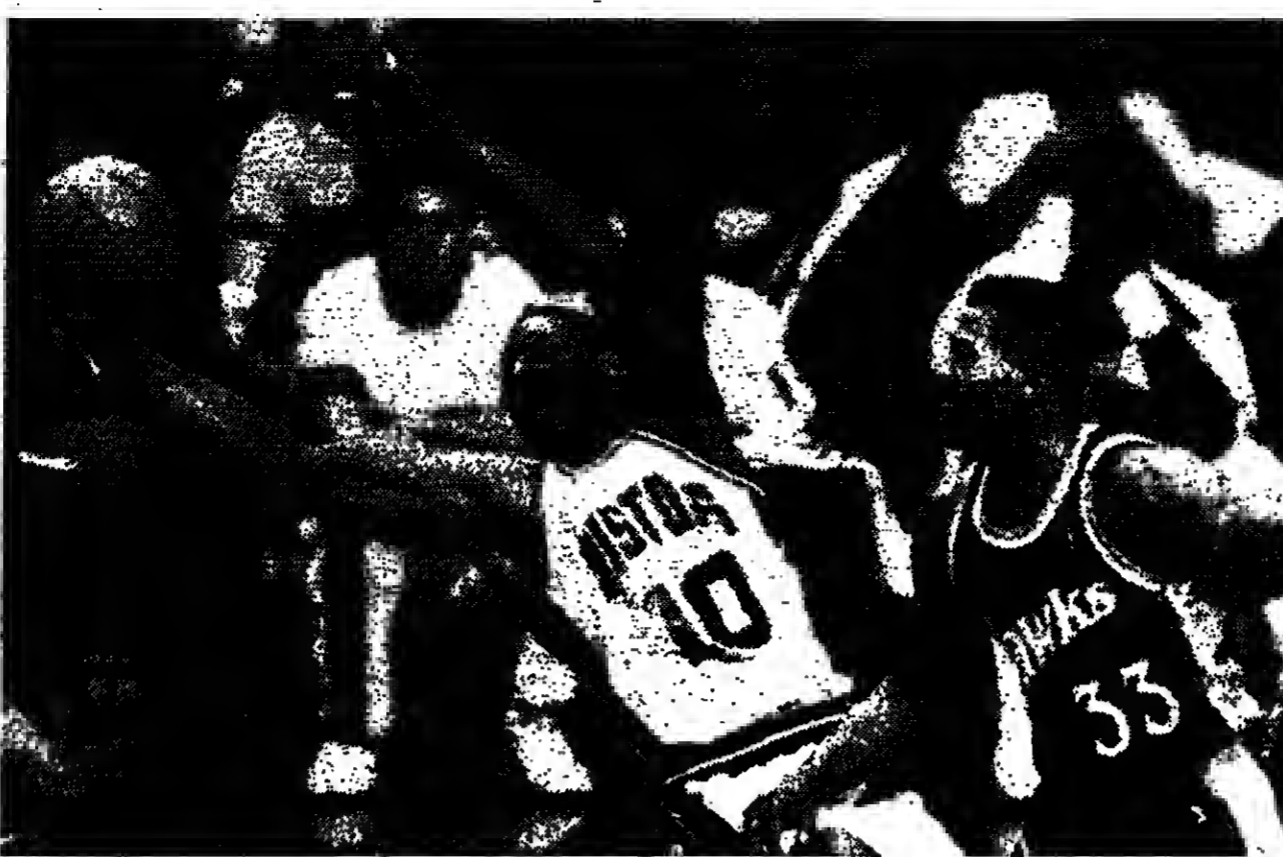
Asked why, Rivers smiled. "Patrick sees it," he said. "Patrick sees the ring, the NBA championship that a Knicks team hasn't won since 1973. Sometimes late last season the 7-foot (2.1-meter) center will pass Walt Frazier as the Knicks' career scoring leader. But unless Ewing's team wins the NBA title, Ewing will never attain the stature that Frazier, Willis Reed, Dave DeBusschere, Bill Bradley, Earl Monroe and Dick Barnett did in winning the 1970 and 1973 championships.

To win the NBA playoffs, a team needs every edge, especially the home-court edge. With a 14-7 record, the Knicks hold a three-game lead on the second-place Nets. But winning the Atlantic Division isn't enough. If the Knicks are to hold the home-court advantage in the Eastern Conference playoffs, their season won-loss record must be better than that of the Bulls. In the Eastern Conference finals last May, remember, the Knicks extended the Bulls to seven games, but lost that seventh game in Chicago Stadium.

If the Knicks are to produce the best won-loss record in their conference, they must improve their record on the road. Even with their Tuesday night triumph at Byrne Meadowlands Arena, they are only 3-6 on the road, in contrast to 11-1 at Madison Square Garden.

That's why Thursday night's game with the Celtics in the Boston Garden would be more important than the standings might show. The Knicks have lost 23 consecutive regular-season games in the Boston Garden, but the Celtics, in their first season without Larry Bird, have been struggling under the 500 mark. If the Knicks want that home-court advantage throughout the Eastern Conference playoffs, they need to win on the road. Just as they won Tuesday night on the road, even if the road was the New Jersey Turnpike.

All the good NBA teams win at home. Winning on the road is how a good team turns out on the road to the championship.



Dennis Rodman got 21 rebounds — and a bump from Duane Ferrell — as the Pistons beat the Hawks for a second straight night.

A Diminished Sampson Still Stands Tall

The Associated Press
HARRISONBURG, Virginia

In less than a year, Ralph Sampson's annual salary went from \$2.24 million with the Sacramento Kings to \$16,000 as an assistant coach at James Madison University.

On the surface, it would appear to be another in a long list of blows to someone who didn't live up to the expectations that came with being a 7-foot, 4-inch (2.23-meter) basketball player.

Sampson doesn't see it that way. "I'm very excited to be here," he said of returning to his hometown to make a career change at 32.

As enthusiastic as Sampson professes to be about his role at James Madison, his boss, Lefty Driesell, is even more upbeat. "I'll tell you, he's a good coach. He knows the game," Driesell said. "He draws stuff on the blackboard. He knows how to run out-of-bounds plays. He's given me a lot of good stuff."

"I think he's going to be a terrific coach. I really do. And I think part of it is because his career was ended early. That's what happens a lot of times when you want to do real good at something but you don't get to — for whatever reason. You've still got that energy."

Sampson still speaks of possibly returning to professional basketball, a subject that brings a pained expression to Driesell's face. "He can't play," Driesell said. "In all seriousness, I've played him

in practice, and the guy can hardly jump. Ralph's legs are in bad shape."

Sampson's travels seem to back up that assessment. After being named the national player of the year three times while at Virginia, Sampson went to the Houston Rockets in 1983, signed a four-year, \$7.49-million contract and was voted the NBA's top rookie.

He averaged more than 20 points and 11 rebounds in his first three NBA seasons, but then problems set in. He underwent three knee operations in 1987 and 1988.

Sampson went to the Golden State Warriors, then to Sacramento, which in November 1991 bought out the final two years of his \$2.54 million-per-season contract. He played briefly with the Washington Bullets, but scored just 22 points in 10 games. From there, it was on to a team in Málaga, Spain, where he lasted until April.

"Why would he even want to go back and play just to average three points a game or something like that?" Driesell said. "I think it would be a discredit to what he's accomplished in basketball."

"People had high expectations," Sampson said, "but they didn't see the injuries."

At James Madison, Sampson is what is known as a restricted-earnings coach, which means NCAA

rules limit what he is allowed to do. Foremost among those restrictions is that he cannot recruit off-campus.

But Driesell keeps him busy. He handles many of in-office duties, coordinates the Duke's conditioning program, does much of the scouting work, assists with on-campus recruiting and works with James Madison's centers and other post players.

"I've always wanted to get into coaching," Sampson said.

Now that he's getting the chance, it's giving him hope for a future in which he could try to meet a different set of expectations. "I want to be a head coach in Division I someday," he said.

Mavericks Give Themselves a Gift: A Second Victory

The Associated Press

The Dallas Mavericks, with 12 consecutive losses and a four-game road trip coming up, were aching for a victory.

And rookies Walter Bond and Sean Rooks came through when the Mavericks needed them Wednesday night, in a 102-95 victory that snapped the Los Angeles Lakers' five-game winning streak.

"We needed this game especially," said the Mavericks' coach, Richie Adubato, who added: "Our nerves were on edge and you just can't go that long without winning."

Since the Mavericks beat Atlanta, 113-105, on Nov. 14 — their only other victory this season — they had lost 12 games by at least 11 points, with an average margin of defeat of 20.3 points.

The second victory came in Dallas' last home game before Dec. 26. "Merry Christmas," Adubato said. "I haven't said that this year until tonight."

Bond, a reserve guard, scored all of his 21 points in the second half. Rooks matched his career-best with 22 points, and the Mavericks held the Lakers to 11 points in the fourth quarter.

Rooks was 10 of 13 from the field and added nine rebounds for the Mavericks.

Los Angeles was on the verge of blowing the game open, starting the third quarter with a 10-0 run for a 66-55 lead as Dallas committed five turnovers and missed all four shots.

But the Mavericks entered the last period trailing 84-80 after Bond scored 13 points.

Warriors 116, Clippers 114: Golden State swept a home-and-home series for the first time in 17 years, overcoming a five-point deficit in overtime by scoring seven of the last nine points at Los Angeles.

The Warriors, who beat the Clippers on Tuesday night in Oakland, were swept in 10 home-and-home sets and had split 14 since 1975-76.

Trail Blazers 100, Nuggets 99: Clyde Drexler scored 25 points and Terry Porter forced a key turnover with 3.5 seconds left as Portland won in Denver and handed the Nuggets their sixth straight loss.

Rod Strickland, who had 21 points for Portland, had the ball stolen by Chris Jackson with 10 seconds to go.

NBA HIGHLIGHTS

seconds to go, but Porter knocked the ball away from Jackson with 3.5 seconds left. After a scramble, a jump ball was called and Strickland won the tap from Jackson just before time expired.

Jazz 93, Hornets 91: Karl Malone scored 21 points, five in the final two minutes, and Utah improved its road record to 7-2 by winning in Charlotte.

Dell Curry's 3-pointer for Charlotte made it 93-91 with 56 seconds left, and the Hornets got the ball back in the final seconds, but Larry Johnson's 3-point shot at the buzzer bounced off the rim. Johnson had 29 points and 10 rebounds, while teammate Alanzo Mourning had 16 points and 13 rebounds.

Pacers 114, Celtics 91: Indiana, winner of six of seven games, has beaten Boston by more points only once in 79 meetings, by 130-101 on March 29, 1983.

Pistons 89, Hawks 88: Detroit beat Atlanta for the second straight night on Bill Laimbeer's tip-in with 0.8 seconds remaining.

The Hawks, who have lost 11 of 12 games to the Pistons, scored only 28 points in the second half, tying a franchise low, and 13 in the fourth quarter.

Dennis Rodman got 21 rebounds for Detroit, giving him 20 or more rebounds in nine of 10 games since returning from a suspension.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE				
Atlantic Division				
W	L	Pct	GB	
New York	14	7	.667	0
New Jersey	11	10	.524	3
Orlando	6	6	.500	2 1/2
Boston	10	12	.455	4 1/2
Washington	7	14	.333	7
Atlanta	1	13	.136	11 1/2
Philadelphia	2	14	.125	12

WESTERN CONFERENCE

Midwest Division				
W	L	Pct	GB	
Utah	12	6	.667	0
Houston	11	7	.611	1 1/2
San Antonio	9	10	.476	4 1/2
Denver	7	13	.348	7 1/2
Minnesota	5	13	.278	9 1/2
Dallas	2	15	.118	12

WEDNESDAY'S RESULTS

W	L	Pct	GB	
Philadelphia	9	13	.407	0
San Antonio	5	11	.303	1 1/2
Charlotte	4	12	.250	2 1/2
Golden State	10	10	.500	1 1/2
Sacramento	4	12	.250	3 1/2

HOCKEY

NHL Standings

WALEY CONFERENCE				
Patrick Division				
W	L	T	Pts	
Pittsburgh	17	14	2	34
Washington	17	14	2	34
N.Y. Rangers	14	12	3	31
New Jersey	15	14	1	31
N.Y. Islanders	12	14	2	26
Philadelphia	10	15	4	24

ADAMS DIVISION

W	L	T	Pts	
Montreal	19	18	4	42
Quebec	17	14	4	38
Boston	10	12	2	22
Detroit	12	12	2	26
Hartford	9	12	2	20
Ottawa	12	12	2	26

TRANSACTIONS

BASEBALL
American League
CLEVELAND—Agreed to minor league contract with Mike Swickel, pitcher, and Jeff Schwaninger, pitcher.

WORLD SERIES CUP
West Indies vs. Pakistan
Thursday, in Sydney
West Indies: 214-9 (21 overs)
Pakistan: 81 (18 overs)

SIXTH DAY-NIGHT INTERNATIONAL
South Africa vs. India
Thursday, in Durban, South Africa
South Africa: 248 (28 overs)

SOCCER
WORLD CUP QUALIFIER
Bahrain vs. Germany 1

MAJOR COLLEGE SCORES

EAST				
W	L	Pct	GB	
Iowa	74	3	.959	0
Long Island	11	8	.577	1 1/2
Concordia	10	8	.556	2 1/2
Princeton	10	8	.556	2 1/2
St. Joseph's	11	7	.611	1 1/2
Georgetown	7	7	.500	3 1/2
Georgetown Tech	7	7	.500	3 1/2
Louisville	7	7	.500	3 1/2



Leonard Shapiro: "We made progress."

NFL Owners Delay Vote on Labor Pact

By Leonard Shapiro
Washington Post Service

DALLAS — National Football League owners, briefed for more than nine hours on a potential agreement that would settle six years of labor disharmony, left their meetings here without voting on the tentative plan hammered out last week by Commissioner Paul Tagliabue and James Quinn, the attorney for the NFL Players Association.

"We made progress today well beyond yesterday," Tagliabue said Wednesday night. But there were no negotiations, the players and their representatives having left Dallas the night before.

"There was a strong consensus" among the owners "to bridge the differences and get a settlement," Tagliabue said.

But Quinn, speaking from New York, said, "What I find amusing is they make progress with themselves, but they have to make progress with us."

Tagliabue, before heading for the airport to catch a flight to New York, said he would call Quinn on later than Thursday morning and that he hoped to schedule a meeting before the end of the week.

The last owners meeting also included a morning discussion of a new so-called Plan C for free agency being prepared by a four-man league committee in case the current negotiations break off with the players. If talks disintegrate, the new plan must be submitted to U.S. District David Doty in Minneapolis for consideration. Doty will rule on the approximately 600 players whose contracts expire Feb. 1 can become free agents.

Said Quinn: "We've got a date, we've got a judge, and we've got lots of goodies for them and lots of goodies for us. We've both made a lot of compromises. Now we've got to do it."

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CZECHOSLOVAKIA	00-423-0001
DENMARK	800-0000
FRANCE	022-905-001
GERMANY	030-000
GREECE	00-400-131
HUNGARY	00-800-0111
IRELAND	9800-100-10
ITALY	02-1001
JAPAN	030-000
KENYA	0000-10
LUXEMBOURG	0-800-0111
NETHERLANDS	050-022-9111
NORWAY	050-02911
POLAND	0-010-480-0111
PORTUGAL	0507-1-288
SAUDI ARABIA	1-800-100
SPAIN	900-89-00-11
SWEDEN	020-785-81
SWITZERLAND	05-00-11
TURKEY	900-800-2277
UNITED KINGDOM	0800-85-0011

OBSERVER

Unanswered Letters

By Russell Baker
NEW YORK — The year is ending, a barrel of mail is still unanswered.

Eugene Weinstock of Brookhaven, New York, for example, deserves an apology. On July 26 he wrote suggesting a column on the incessant deaths of the American dream.

"Just about every other day for the past 30 years a circus article, Op-Ed piece, feature article or book review in The New York Times announces the death of the American Dream," he wrote.

Before I could write the column Weinstock proposed, Ross Perot started talking about the death of the American dream, and so many people seemed to believe the thing really was either dead or dying that it seemed unwise to make light of it.

H. L. Mencken had the courage necessary to ridicule poppycock, but we modern news folk are too craven to kick a beloved old cliché, much less ridicule a billionaire trying to buy himself a presidency.

Louis Gordon of Boca Raton, Florida, sent a joke about memory loss: A man paralyzed with indigestion on a staircase can't remember whether he intended to go upstairs or down. It sparked a column on forgetting, but a thank-you note to Gordon was inadequate. The column, he replied, should have credited him.

"Come on, Mr. Gordon," I started to write, "Where in Anna Karenina does Tolstoy credit the idea for Anna's story to the real-life woman who committed suicide by jumping under a train?"

Writing this letter felt good because I had long yearned to classify myself alongside Tolstoy. Before I finished it, however, Louis Sirkin, also of Boca Raton, wrote with a story about a famous genius who pauses in a corridor to talk with a friend, then asks, "By the way, which way was I going when we stopped to chat?"

"That way," said his friend. "Well," said the genius, "in that case I have already eaten."

In the same mail John Rich of Beverly Hills, California, sent the story of an old couple who had been urged to "write everything down promptly, as it helps the process of recall." Rich's version follows:

"Watching television that evening, the wife rises and starts for the kitchen. The husband says, 'As long as you're going to the kitchen, would you bring me a bowl of ice cream?' She says, 'All right,' and turns to go.

"Wait, wait. First write it down."

"I don't have to. It's just two steps to the kitchen."

"By the way," he says, "put chocolate syrup on the ice cream."

"All right," she says as she leaves.

"Write it down," he cries.

"It's not necessary," she insists. "I'm already in the kitchen."

"In a few moments the wife appears and says to her husband, 'Here's your oatmeal.'"

"His reply: 'So where's my toast?'"

Never mind Tolstoy, Mr. Gordon. Thank you for the joke that inspired Sirkin and Rich to enable me henceforth to plagiarize Gilbert and Sullivan when the laugh is about seminary: "I've heard that old joke from my cradle."

From Lakeville, Connecticut, Robert Yoakum wrote a scolding letter based on the misapprehension that this column endorses the eating of brussels sprouts, a comestible which, in his opinion, deserves only "contempt."

Rather than reply privately, assuring Yoakum that he misunderstands my position on brussels sprouts, I use his letter to give the public a crack at a remarkable investment opportunity.

My engineering assistants are even now putting the finishing touches on a brussels-sprouts-eating machine, which this column first proposed 20 years ago. This will be an unobtrusive device, carried easily in pocket or purse.

Its lucky owner, confronted with a plate bearing brussels sprouts, simply places the brussels-sprouts-eating machine alongside the plate and lets the machine do the eating, thus leaving the cleared plate so flattering to dinner-party hosts.

A few kinks — mechanical belches, actually — remain to be ironed out of our prototypes, but relief for the world's Yoakums is not far off.

Against Tide: Gypsy Theater in Germany

By Michael Lawton

COTTBUS, Germany — "Theater against violence" — it doesn't sound like an equal contest, but that's what they have called the tour of Federico Garcia Lorca's play "Blood Wedding," performed in the Romany language, by the Pralipe Gypsy theater company.

They came to Germany two years ago from Macedonia, where they were totally demoralized after years of official neglect.

They were welcomed with a grant from the state government of North Rhine-Westphalia, which simultaneously deports other Gypsies, some of whom have lived in Germany for years, back to Macedonia. People are aware of the irony.

Since they came to Germany, Pralipe's members have seen a massive increase in violence against foreigners. Rahim Burhan, the company's founder and director, feels wounded by it. "I thought this kind of violence was only possible in small nations, like those of former Yugoslavia. The Germans are so big and powerful; they don't need this violence."

Cottbus, 120 kilometers (75 miles) southeast of Berlin, is the home of the neo-Nazi German Alternative, which claimed, until it was banned last week, around 1,000 members. Its leader, Frank Hühner, is seen as a hero by many of the young people in Sachsendorf, the big housing estate on the southern edge of the town where the asylum seekers' hostel is located.

Just hours after the attacks, Christoph Schroth, director of the local theater, put on an evening of theater and political discussion.

"If theater people don't just want to be parrots," Schroth said, "then they have to get involved in politics." And so when he was offered a visit by Pralipe, it was obvious that he would say yes. He wanted the visit to offer the opportunity for artistic and political commitment.

Rahim Burhan wanted the performance to be a chance for the Cottbus audience to learn about the culture of his people. The Gypsies, he says, had a highly developed traveling theater tradition that died out in the 19th century. They had brought it from India — where the Gypsy people has its roots — together with the Romany language, which is related to Sanskrit.

Burhan has spent the last 20 years, first in Macedonia, then in Germany, dedicating to his theater's re-invention. But there is nothing folksy about his productions. His mentors are Brook, Artaud, Grotowski, and he draws on Indian Kathakali and Japanese Kabuki theater.

Pralipe's repertoire in Germany is a demanding one, including, as well as "Blood Wedding," plays by Sophocles, Aeschylus and Shakespeare.

"When we begin to read Shakespeare, we read him as if he were our writer," Burhan said. Even if the play is part of the European classical tradition, the production is the expression of Gypsy culture.

The audience in Cottbus for "Blood Wedding" was an unusual mixture. There were the regular theatergoers, members of church and school groups, and about 50 Gypsies from the refugees' hostel, who sat in the front rows in large family groups and responded loudly to what took place on the stage; their small children sat as if bewitched by the drama.

One of the Gypsies said afterwards that the tale of love, jealousy and death was just like what could be found in any Gypsy family. They were the only members of the audience



Leonardo (Nedjo Osman) and The Bride (Elizabeta Kocovska) explore the symbolism of an orange in Romany version of Federico Garcia Lorca's "Blood Wedding."

who understood the language — a rare treat for the actors. The others had to trust the bold visual imagery, the emotional acting, the passionate music.

The production, which takes place on a sand-strewn stage in front of richly burnished gold painting, communicates through its metaphors: The way the characters eat an orange becomes symbolic of attitudes to love. Do you press it passionately against someone's mouth? Do you peel it absentmindedly while thinking of something else? Do you tempt with it, only to withdraw the offer? Or do you throw baskets of oranges over the dead bodies of the rival lovers, as at the end of the play?

The theater was nearly full, and for most of the audience — many of whom were used to seeing Gypsies simply as desolate figures begging on street corners — the experience was new and welcome. They had to open themselves to a world without words, to understand by intuition.

In a discussion afterwards, the town's mayor, Waldemar Kleinschmidt, saw the play raising questions about how

people deal with the burning political problems of jealousy, hate and violence.

Many people in Cottbus, as elsewhere in Germany, believe that the majority, like them, do not want to see foreigners made into the scapegoats for the failure of the country's politics, but they feel helpless against the energy of the minority. They despair as demonstrations, candle-light vigils, open days at the refugees' hostel, and theatrical performances don't stop the mighty attacks.

These performances will have an effect, however, said the town's commissioner for foreigners' affairs, Helmut Groba. This is where the discussion should start, he said, perhaps too hopefully. "The right-wingers are members of families, perhaps even the children of people in the audience; in that way, the play will bring movement in the argument."

The Pralipe troupe will perform in Dresden on Dec. 21; Magdeburg, Dec. 27, and Munich, Jan. 27.

Michael Lawton is a free-lance writer based in Cologne.

PEOPLE

Kohl's Sunrise Formula: No 'Grumpy' TV News

Helmut Kohl has a formula for starting the day: He boycotts all morning television news shows. "Just seeing these journalists and politicians who look so grumpy because they had to get out of bed so early makes my coffee lose its taste," the chancellor said at a Bonn press conference. Germany's two station channels launched breakfast TV early this year after commercial stations had pioneered the format and a private 24-hour all-news channel began broadcasting last month. It's just "a further loss in the quality of life," Kohl said.

Michel Petrucci and Glyn Butra are both jazz pianists, so when they marry on Monday they will have their reception at the Village Vanguard in New York. Petrucci has two children from a previous marriage.

The producer George Stevens has deleted all footage of Ginger Rogers and Fred Astaire dancing from the upcoming TV broadcast of the Kennedy Center Honors reportedly because Astaire's widow demanded compensation. The images were used in the honors ceremony two weeks ago, and Newday reports that Robyn Astaire had threatened to sue the center if it used any of the same images in CBS's Dec. 30 broadcast.

Prince Charles expressed regret at the lack of contact between the generations, adding he valued conversations with his grandmother, Elizabeth, the Queen Mother. "Older people can provide a source of continuity and wisdom," Charles, speaking at an awards ceremony for the charity Age Resource, mixed up three of the commendations to the amusement of the mostly older audience. "Even at my advanced age I can make a muddle," the 44-year-old prince joked.

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CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution for Dec. 17.

ACROSS

- 1 Flight records
2 Quotation: Part I
3 The powers
4 Be...
5 Robespierre's hometown
6 "Caro nome,"
7 A trout
8 Scans
9 Knee, to an M.D.
10 Achilles sulked here

DOWN

- 11 Progeny
12 Quotation: Part I
13 "The powers"
14 Be...
15 Robespierre's hometown
16 "Caro nome,"
17 A trout
18 Scans
19 Knee, to an M.D.
20 Achilles sulked here

BOOKS

FAIRFIELD PORTER: An American Classic

By John T. Spike. 320 pages. \$67.50. Abrams.

Reviewed by Hilton Kramer

It was insufficiently recognized during his lifetime that Fairfield Porter (1907-1975) was one of the best American painters of his generation — the extraordinary generation that gave us the Abstract Expressionist painters of the New York School.

This was not, to be sure, the only obstacle to a proper recognition of Porter's achievement. There were other painters at the time — Larry Rivers, Lucian Freud, Baltimore — who managed to surmount the avant-garde's resistance to realism. But in cases like these the artist introduced into his realist imagery an element of scandal or provocation — something sordid, erotic or otherwise sensational — that appealed to "advanced" taste. This was a practice entirely alien to Porter's artistic sensibility. He was too

the movement's principal critical organ. Yet Porter remained unmistakably and unapologetically what Kenworth Moffett called him in the title of the posthumous retrospective organized at the Museum of Fine Arts in Boston in 1983 — a "Realist Painter in the Age of Abstraction."

It wasn't until the 1983 Boston retrospective that the magnitude of his achievement was made clear to a large public, and the artist began to be accorded his rightful place in the artistic history of his time — nearly a decade after his death.

Given this history, we have obviously needed a comprehensive

scholarly account of Porter's life and work. This is the book that John T. Spike has set out to write in "Fairfield Porter: An American Classic." In one important respect — its impressive research into the main lines of Porter's personal and intellectual development — the book succeeds admirably. The figure who emerges from this study — a patrician intellectual, artist and writer of quirky beliefs and subliminal convictions, at once a socialist, an aesthete and a devoted perfectionist presiding over a large family and a circle of dependent friends — is described in considerable detail.

The time has not yet come, however, for a real "life" of the artist. There are simply too many surviving friends, relatives and professional colleagues whose privacy would be seriously violated by such

a book. The book's main disappointment is its account of Porter's paintings. Spike clearly admires the art, yet he lacks the critical acumen needed to give the reader a sense of its specific aesthetic qualities.

His prose never really connects with Porter's painterly style. Fortunately, the book's excellently reproduced illustrations keep the reader's eye on almost every turn of the page. It is finally because of its illustrations and its well-researched facts — but not for any illuminating insight into the art — that "Fairfield Porter: An American Classic" can be strongly recommended.

Hilton Kramer, editor of the New York Criterion and art critic for the New York Observer, wrote this for The Washington Post.

my spade-nine entry, barring a brilliant defense.

West decided to gamble that his partner held the club jack. He carefully led the club seven. He had a sinking feeling in his stomach when East played the ten, but all was well: South followed with the eight.

East was Andrew Moss of Manhattan, who was a few hours short of his 20th birthday and the youngest player in the semifinal. It was his turn to shine, and he did so by leading a heart for his partner to ruff, defeating the slam. He had worked out that his partner had led the highest of his club spot-cards to signal for a return in the higher-ranking of the red suits.

So West was a hero. But consider what his teammates would have said to him later if East had held the spade nine but not the club jack. Then his brilliant opening lead would have permitted a hopeless slam to succeed.

BRIDGE

By Alan Truscott

MANY world-class players are in a position to pocket yet another omelette at the conclusion of the American Contract Bridge League's fall nationals. The best opening lead of the first day of play was made in the Resinger by a player who did not qualify. On the diagrammed deal Jim Houser of Stamford, Connecticut, held the West cards and pre-empted with five club bid, strong and artificial, on his right.

North doubled to show he had something of value, and South took a reasonable shot by bidding six spades. If he had held a singleton diamond instead of a singleton club, he would have been safe in six and trying for seven. As it was, he was due to succeed, thanks to dum-

my spade-nine entry, barring a brilliant defense.

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Bridge score table showing North, South, East, and West scores for various deals.

Advertisement for Van Cleef & Arpels featuring jewelry pieces and the text 'Van Cleef & Arpels signent vos plus beaux Anniversaires.'

A Collector Taps the 'Nostalgia Thing'

By Suzanne Slesin

NEW YORK — Alex Shear lives in the kind of place where a turn-of-the-century welder's mask looks right at home on a pedestal in the living room and a gas-station display of vintage automotive products is the decorative focal point of the home office.

Shear, a marketing consultant and collector, keeps memorabilia like seafarers' models of swimming pools, military panoramic photographs, Coca-Cola artifacts, life-size tin men and hand-painted roadside signs. He calls himself a "broker of nostalgia."

When Shear's antiquing became, as he called it "serious," he sold his shares of stock. "I bought American pop culture because I could control it, enjoy it and use it," he said. "It was a much more sensible investment than the stock market. The values are now going up. These objects are now getting the recognition they deserve. Anyway, this is only a token of my archives. There's lots in storage."

of my things, I could," he said. "People have been after me for years, but I won't sell."

Shear is currently working with corporations, helping to develop a line of clothing for the publishers of The Old Farmer's Almanac and advising the historic Coca-Cola Company. "The nostalgia thing is going bonkers and breaking oom," he said.

A love of objects might just be in his genes. "Both sides of my family were merchants," Shear said. "Mom's family came from Romania to Cuba and then to Florida, where her family opened a department store in West Tampa, catering to the Cuban trade." Shear's father came from Lancaster, Pennsylvania, where he was a wholesale toy distributor.

While he grew up with a great desire to own toys, it was only about 12 years ago that Shear started fulfilling his toy void.

Unlike many collectors, whose treasures are rarely seen by the public, Shear has temporarily moved the cream of his collection from his crowded Upper West Side apartment to the sleek Park Avenue Atrium to be the subject of an exhibition titled "Favorite Things."

But will he ever recoup his investment? "On many